

Herald Tribune



PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Paris, Thursday, January 26, 1995

No. 34,808

Clinton's Many Words Yield Muddled Message

In Lengthy Speech, President Failed To Give a Clear View of His Vision

By John F. Harris
Washington Post Service

WASHINGTON — The new Bill Clinton may have dawned on people in an hour or so into the State of the Union speech, has quite a lot in common with the old Bill Clinton.

He is a president who likes to speak, and he chose to speak on just about every major issue in the news and a good many not-so-major ones. On and on he went, for 82 minutes.

But in so doing, President Clinton may have sacrificed his chance to do what many politicians and presidential scholars say he needed to do above all: Explain to a skeptical public in clear and simple terms the core principles that animate his presidency and where he intends to take the nation.

Mr. Clinton did make clear he was a chastened leader compared with the one who came bounding into the same chamber two years ago with an unapologetically progressive agenda. He proclaimed then, "I want to talk to you about what government can do because I believe government must do more."

On Tuesday night, he made it clear that he had read the election results

from November, admitting that he was "humbled" by his rocky experience in Washington. He devoted much of his speech to centrist themes such as pruning bureaucracy and making welfare recipients go to work.

In important ways, however, the president's speech on Tuesday resem-

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bled the one he gave two years ago. This would suggest either that he does not agree with critics, and even some White House aides, who say he needs to be more disciplined and discriminating in choosing what matters most to him, or that he is simply incapable of following the advice.

Both speeches were like thick stews with dozens of ingredients. Two years ago, proposals to expand government's reach with \$30 billion in jobs and new regulations were the meat, and the spices were "New Democrat" themes about government needing to become leaner and more efficient.

This year, that was reversed. The

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Rumblings about the speech. Page 3. • Republicans see false conservative. Page 8.



Mr. Rubin, left, conferring with Mr. Greenspan on Monday as they urged Congress to guarantee loans to Mexico.

Cold War Flashback as Research Rocket Alarms Moscow

Compiled by Our Staff From Dispatches

MOSCOW — A Russian news agency's erroneous report that Russian forces had shot down a combat missile launched from northern Europe set off wide spread alarm Wednesday.

The "missile" turned out to be a research rocket, financed by the U.S. space agency, that carried instruments from American and Norwegian universities to study the Northern Lights.

The Norwegians said they had launched the rocket from within their own territory after informing the Russian government.

The Interfax news agency later acknowledged that its report was wrong. The deputy director of the

agency, Vyacheslav Terekhov, blamed the mistake on false information from a high-ranking military source.

But Interfax cited other sources in continuing to insist that the missile was for military purposes and not for research. The assertion was denied by government officials in both Moscow and Oslo.

In its report quoting a highly placed official of the air defense command, Interfax said that three Russian early warning systems had picked up the launching of a combat rocket Wednesday morning in Norway.

This source said that it soon became clear that the missile would fall outside Russian territory.

"At 9:48 A.M., the missile fell in the region of the Spitsbergen archipelago," Interfax said, referring to a

group of islands in the Arctic Ocean that belong to Norway.

Lieutenant Colonel John Espen of the Norway's northern defense command at Bodø told Reuters that the missile was fired from Andoya island off North Cape and went down as planned in the Spitsbergen region.

"There was a missile fired from Andoya rocket range, a civilian Norwegian aerospace center," he said.

"It went completely according to plan and landed in the Spitsbergen area."

"There was nothing unusual about the launch," he said. "All instruments worked to perfection."

Following the initial urgent report, Russian govern-

ment and military officials immediately said they knew nothing about a missile being shot down.

But at a time when Russia's military is embroiled in a war in Chechnya, the report raised wide concern.

Spokesmen for the North Atlantic Treaty Organization, several European countries and President Bill Clinton, traveling in Pennsylvania, said they were looking into the report. Later, a White House spokesman called it "totally unsubstantiated."

A Russian government spokesman, Valeri Grishin, confirmed that Norwegian authorities had informed Moscow of the launching of a weather research rocket.

"The rocket fell on its own — no one shot it down," Mr. Grishin said. (AP, Reuters)



A Chechen taking aim after a Russian sniper fired on a market near Grozny.

A Bloody Ticket to Paradise Martyrdom Lures More Palestinians

By Joel Greenberg
New York Times Service

GAZA — If Abdel Rahim Sukar felt any grief, he wasn't showing it.

His older brother, Anwar Sukar, was a suicide bomber from the Islamic Jihad group who blew himself up Sunday in a crowd of Israeli soldiers, killing 19 Israeli soldiers and wounding more than 60.

"I cried a little at first, but later I stopped," Mr. Sukar said, as men and schoolchildren streamed to his family's house to pay their respects on Tuesday. "When I saw the flesh and blood of the Jews, I was happy."

"It was the best martyrdom possible," he said of his brother's death. "I'm proud of him, and I wish I could have been in his place. This made us walk tall."

Under a makeshift awning, somber but

dry-eyed men sat in rows as loudspeakers broadcast eulogies in prose and verse. The suicide bomber was praised as a "heroic martyr of Islam" who had gone to paradise while "inflicting misery on the sons of Zion."

Pictures of him and of other dead militants covered the walls, and an Islamic Jihad poster boasted, "We will shake Israel to its foundations."

The gathering illustrated how, while the Palestinians are supposed to be ending decades of conflict with Israel, many are not only still gripped by the struggle but enthralled by a cult of death.

The phenomenon seems to be striking deeper roots as Palestinian suicide bombers carry out more and more attacks, killing.

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Israel Approves Plans to Build 2,200 West Bank Housing Units

By Clyde Haberman
New York Times Service

JERUSALEM — Hoping to dispel widespread confusion over its policy on settlements, the Israeli government approved plans Wednesday for at least 2,200 new West Bank apartments this year near Jerusalem, but said it would slow the pace of construction.

Whether confusion had ended was not clear.

Although the Labor-led government says it wants to curtail the expansion of settlements championed by its Likud predecessor, it continues to accept new building in and around sensitive areas such as Jerusalem and the Jordan Valley, although nearly to the extent that settler groups would like.

The decision Wednesday, made by a new cabinet committee led by Prime Minister Yitzhak Rabin, certainly did not put an end to disputes on an issue with the explosive potential to undermine peace negotiations between Israel and the Palestine Liberation Organization.

Those talks have been frozen by the Islamic suicide bombing that killed 18 young soldiers and a civilian in central Israel on Sunday.

Palestinians expressed anger that construction of any kind would continue in West Bank areas that Israelis claim as "Greater Jerusalem" but that Palestinians say belong to them for their hoped-for future state.

Settler leaders and the Likud-led political opposition were also displeased, complaining that the government had yielded to PLO pressure and set aside original plans for several thousand more housing units.

The government policy has been to capitulate every step of the way," said Yehiel Leiter, a spokesman for the main settlers' group, the Council of Jewish Com-

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Kiosk

A Plea for Extra Funds for Pentagon

WASHINGTON (NYT) — The top two U.S. military officials warned Wednesday that the armed forces' combat readiness will suffer if Congress fails to approve \$2.6 billion in additional Pentagon spending by March 31.

Defense Secretary William J. Perry and General John M. Shalikashvili, the chairman of the Joint Chiefs of Staff, told the House National Security Appropriations subcommittee that the Pentagon needs the additional money to pay for unplanned operations in Haiti, Bosnia, Cuba and the Gulf.

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Dow Jones

	Up	Up
8.75		0.11%
3671.45		108.00

The Dollar

	Wed. close	previous close
DM	1.5177	1.5128
Pound	1.5915	1.597
Yen	99.525	99.755
FF	5.2485	5.234

Health / Science

An exhibition on the life and work of Louis Pasteur marks the 100th anniversary of his death.

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Now, Simpson's Defense: He Was Accused in 'a Rush to Judgment'

Compiled by Our Staff From Dispatches

LOS ANGELES — O.J. Simpson was wrongfully accused of murder because of "a rush to judgment" by prosecutors, a defense lawyer said Wednesday in opening statements in the former football star's murder trial.

Trying to counter physical evidence cited by the prosecution, the lawyer, Johnnie Cochran, said that the defense would "talk about the trials that they didn't pursue."

Quoting from the Reverend Martin Luther King, Abraham Lincoln and Cicero — all in the first five minutes — Mr. Cochran called the trial "this search for justice, this search for truth."

"The evidence will show that O.J. Simpson is an innocent man wrongfully accused," he told the jurors. "This case is about a rush to judgment, an obsession to win at any cost."

Mr. Cochran opened the trial for the defense after Judge Lance A. Ito allowed television coverage to continue. He had suspended the trial on Tuesday, after the prosecution's opening statement, when informed that the remote-operated pool cameras covering the proceedings had inadvertently shown the face of an alternate juror. (Page 8)

Mr. Cochran said that at least three defense witnesses had information that could help exonerate Mr. Simpson and that two of the witnesses had offered information to the authorities, but were ignored.

One of these witnesses, Mr. Cochran said, was walking his dog at about 10 o'clock the night of June 12 and saw a woman he believed to be Nicole Brown Simpson, Mr. Simpson's former wife, embracing a man at the curb while another man, possibly Hispanic or white, stood there "with his hands clenched" as if he was angry.

And, the attorney added, "After Mr. Simpson left, after 12 o'clock, she heard men's voices over on the

The prosecution said Mrs. Simpson and her friend Ronald Goldman were stabbed and slashed to death around 10:15 P.M. that night. Mr. Simpson is charged with murder in connection with the killings.

Another witness, Mr. Cochran said, was a woman who saw four men walking near the murder scene.

He said the witness thought the men might have been undercover police, and said that they got into a car and sped away.

"That's what she tried to tell police, but they wouldn't listen because of this rush to judgment," Mr. Cochran said.

Another witness will testify that she saw Mr. Simpson's Ford Bronco and heard his voice that night at his home, Mr. Cochran said.

And, the attorney added, "After Mr. Simpson left,

Simpson property, till about 2 o'clock or 3 o'clock in the morning."

He said a Los Angeles detective, Mark Fuhrman, would be an important part of the trial. In the past, the defense has accused Mr. Fuhrman of racism and suggested that he may have tampered with evidence to implicate Mr. Simpson.

"It's very interesting that the prosecution never once mentioned his name yesterday," Mr. Cochran said. "It's like they just want to hide him."

He also said the defense would attack what he called the "integrity" of evidence in the case. He said the police had assigned a "trainee" with limited experience to collect some of the evidence.

He also took issue with the prosecution's description of the Simpsons' marriage as violent and miser-

See TRIAL, Page 8

Italian Leader Survives Test but Doubts Persist

By Celestine Bohlen
New York Times Service

ROME — Lamberto Dini, Italy's new prime minister, won his first confidence vote in Parliament on Wednesday, thanks to the mass abstention by deputies from the center-right coalition led by his predecessor, Silvio Berlusconi.

The 270 abstentions in the 630-seat lower chamber permitted the government to win with 302 "yes" votes — far short of the broad mandate Mr. Dini had sought and will probably need, as he pushes through a four-point program of economic and political reform.

By withholding their votes, deputies of the Freedom Alliance, the coalition that won Italy's elections last spring, put Mr. Berlusconi on notice that they will keep up the pressure for another round of parliamentary elections, as early as June if Mr. Berlusconi has his way.

"I will keep repeating this until everyone is bored to death," Mr. Berlusconi said. "The chief assumption behind a healthy democracy is that Parliament is an expression of the will of the people, and democracy cannot be suspended."

Mr. Dini has gone out of his way on several occasions, including in a 50-minute speech to Parliament on Monday, to pledge that he will hand in his mandate once he has succeeded in passing his program, which includes a supplementary budget for 1995, reform of Italy's troublesome pension system, changes in regional electoral laws and a guarantee of free access to the media in political campaigns to come.

The prime minister, a former central banker who was treasury minister during Mr. Berlusconi's seven-month government, has said he needs only a few months to accomplish these tasks. But many political observers have their doubts.

"We are trying to get reinforcements from all around the country," a senior Kobe city official said. "Our medical people can't keep going like this."

In the end, Mr. Dini was supported Wednesday by an odd alliance made up of the federalist Northern League, the erstwhile ally of Mr. Berlusconi, as well as a centrist party of former Christian Democrats and the Democratic Party of the Left, the main heir to the old Italian Communist Party.

Mr. Dini's cool style and his determination to address Italy's mounting fiscal deficit has won him the support of the financial markets, and a report on Italy issued Wednesday by the Organization for Economic Cooperation and Development only underscored the urgency of the goals he has set for his short-term government.

"To a larger extent than at any time since World War II," the report said, "expectations about Italy's medium-term economic and political future will be shaped by the speed with which the government deals with spiraling public debt."

The Paris-based economic organization predicted that Italy would exceed its projected 1995 deficit of 13.6 trillion lire (\$87.5 billion) by 13 trillion lire, although it also noted that the economy overall was growing at a remarkably healthy rate of 2.7 percent.

The nomination of Mr. Dini by President Oscar Luigi Scalfaro on Jan. 13 was designed to give the country a respite from the political battles that led to Mr. Berlusconi's resignation in December, when the defection of the Northern League from his coalition cost his government a majority in Parliament.

But many commentators have noted in recent days that the Dini government, made up of low-profile professionals, many of them drawn from academia, cannot resolve the drift in Italian politics, which followed the collapse of the old scandal-ridden party system.



Mr. Dini being congratulated Wednesday by two ministers, Antonio Brancaccio and Adriano Ossicini, after his victory.

Kobe Calls for Aid as Flu Epidemic Hits Refugees

Compiled by Our Staff From Dispatches

KOBE, Japan — Amid signs that a feared epidemic of influenza has broken out among refugees from the earthquake that struck western Japan, appeals went out Wednesday for more doctors and nurses to help the region's overburdened health-care system.

After battling for eight days to cope with the nearly 27,000 injured, Kobe hospitals were at breaking point, their doctors and nurses exhausted.

"We are trying to get reinforcements from all around the country," a senior Kobe city official said. "Our medical people can't keep going like this."

Prime Minister Tomiichi Murayama told Parliament on Wednesday that the government was stepping up already frantic efforts to get flu medicine into the area.

"Influenza is prevailing over the refugees," he said. "We are doing all we can to get medicine in."

There were also worries about malnutrition among some refugees.

"Some people are showing symptoms of malnutrition," said the city official, who did not want to be named.

As efforts to get back to normal continued, the West Japan Railway extended its service even farther toward the center of Kobe.

(Reuters, WP, AP)

More than half the 1,400 hospitals and medical clinics in the Kobe region were heavily damaged or destroyed by the Jan. 17 earthquake, which killed more than 5,000 people. The surviving hospitals are overcrowded and short-staffed.

The official said a flu epidemic — expected because of the cold weather and poor conditions in the 500 camps where 300,000 refugees are crammed — appeared to have struck.

"The number of evacuees suffering from flu has gone up sharply," he said. "We think the epidemic has arrived."

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(Reuters, WP, AP)

Collapsed Structures Had Flawed Design Approach

By Sandra Blakeslee
New York Times Service

NEW YORK — Many elevated expressways, bridges and buildings collapsed in the earthquake in Kobe, Japan, last week because of fundamental flaws in engineering design, according to two U.S. experts who inspected the damage.

The Japanese rely on brute strength in structural engineering, the experts said. Support columns, especially those used to hold up roadways and train tracks, tend to be huge and brittle. When the ground shakes, the columns are meant to stand firm and resist collapse.

American engineers take a different approach, the experts said. Support columns are smaller and more flexible, or ductile, which means they may deform and sustain damage but they do not collapse as readily.

While newer Japanese buildings incorporate the U.S. approach, those built before 1983 and most elevated roadways followed the brute strength approach, the experts said.

The Japanese approach works as long as ground motions occur in a range that has been anticipated, they explained. But the ground motions in the quake last week were twice as large as expected, and thousands of structures could not withstand them.

The U.S. experts, Nigel Priestley and Frieder Seible, both professors of structural engineering at the University of California at San Diego, expressed their views at a news conference Tuesday. They inspected damaged structures in Japan for three days with Greg MacRae, an assistant professor of structural engineering at the University of Washington in Seattle.

"It was quite awe inspiring," Mr. Priestley said. "You would walk for seven miles and their freeways were so heavily damaged, 80 percent of the columns failed."

Every structural column is made of similar components, he said. Vertical steel bars are embedded in concrete, which is then wrapped with horizontal bands of steel to contain the column. This structure is then covered with more concrete.

In building transportation columns, the Japanese tend to go for strength, Mr. Priestley said. They feel that the bigger a section is, the stronger it is, he said, and tend to use fewer horizontal steel bands to contain the column. If a California freeway column were to have 100 horizontal bands, a Japanese column might use 20.

"The Japanese columns will perform well during an earthquake that behaves according to their design criteria," Mr. Priestley said. "But last week's quake did not cooperate with the Japanese building codes."

He said buildings are another story. Those constructed in the last 10 years did very well because Japanese architects have incorporated U.S. and New Zealand flexible design philosophies into their codes.

"But the defects in many older buildings are fairly serious," Mr. Priestley said. The problem is that the columns that support the buildings tend to be weaker than the beams which tie them together. In a large quake, he said, the beams do not deform and energy can suddenly concentrate at the columns on one floor, causing it to collapse.

'Cowboy' on a Dark Horse Hopes to Rescue France

By Joseph Fitchett
International Herald Tribune

PARIS — Maybe it's because he likes Westerns, but Raymond Barre believes that France's next president should be a man who acts alone, living or dying politically by the fight he picks.

His unflinching code — the only cowboyish trait about this sedentary, academic politician — contrasts utterly with the message of painless change coming from Prime Minister Edouard Balladur, currently the runaway leader in France's presidential race.

The cozy Balladur campaign message stresses consensus

change, commanding the prime minister as a leader who can help the French avoid stepping on each other's toes as they scramble into the 21st century.

To Mr. Barre, that sounds suspiciously like a wish to duck the political fights that many French conservatives believe are unavoidable for the country's economic modernization.

Mr. Barre's description of an ideal president — as a leader ready to fight for his ideas and strip away hypocrisy — has made him a dark horse who could surge if Mr. Balladur stumbles. Although Mr. Barre has not said whether he intends to run, his conservative credentials are matched with a record of political independence that could draw leftist votes.

Already, Mr. Barre's views

raise questions, by implication, about the prime minister's ultratracituous approach to social change: Was it an electoral tactic to be dropped if he wins the election this spring? Or is Mr. Balladur really happy defending the status quo?

Mr. Barre challenges the muffed manner of the Balladur government. For example, he is sharply critical of its retreat a year ago when Air France

workers on strike shut down Paris airports.

Mr. Barre said in an interview that he would "never have allowed the strikers to take over the airports" and send a signal of public disorder in France.

Pressed about this episode, Mr. Barre said that he would have let the state-owned airline's management stick to its plan for cutting losses and subsidies, even if it meant facing the threat of bankruptcy, if necessary, to demonstrate the economic logic of the crisis. Instead of brandishing such a threat, the Balladur government backed down and forced the head of Air France to quit.

Mr. Barre's academic zest about the right answers sometimes gives the impression that he relishes prescribing tough medicine.

Mr. Barre, who was prime minister for five years under President Valéry Giscard d'Estaing in the oil-shocked 1970s, earned the title of France's "most unpopular prime minister." He ended price controls and closed steel mills as European governments restructured the industry. Public reaction to his bluff style helped François Mitterrand win the presidency in 1981.

Movies are eclipsed once he starts listing France's current assets, including a workforce ranking among Europe's most

productive and a special opportunity to help Germany wield its power, which otherwise would frighten neighboring countries.

A prime threat to these prospects is an aging population that makes the French more hesitant about change and "more inward-looking."

Aging voters, he said, fear changing the nation's system of health care and retirement, even though demographic trends make an overhaul unavoidable.

Mr. Barre has always refused

a permanent home in any political party. Lacking any party machinery, he seems conspicuously alone.

His small office in Paris is not far from the National Assembly, where he serves as a deputy from Lyon.

A mountain of books (mostly unread "because there is so rarely any added value") is topped by a small, framed Humphrey Bogart movie poster. Mr. Barre readily acknowledges a passion for film, notably Hollywood Westerns and French gangster movies starring Alain Delon.

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Mr. Barre cited this as an example of when a president should put his job on the line.

"Even if 85 percent of the people were against it, I would say, 'I'm responsible for you and your children's future so it's my duty to insist on this change,' he said.

Mr. Barre's chances of winning the presidential election are slim, mainly because the leaders of small centrist parties — Mr. Barre's natural champions — have given their support to Mr. Balladur.

Mr. Barre's equanimity seems undented.

"Mr. Balladur is a man who is operating via political parties," he said. "France needs a president who can relate directly to the French people."

Watch on the Rhine as Rivers Rise

BONN (Reuters) — German authorities have not ruled out a repeat of 1993's "floods of the century" on the Rhine and Moselle rivers as heavy rain and snowfall resumed over southwestern Germany on Wednesday. Rivers began to rise again after easing back from levels that have caused flooding on the Saar and Moselle.

Asked if a repeat of 1993 was in sight, a spokesman for regional authorities in Mainz said: "At the moment, nothing can be ruled out. It's possible we are going to have a very extreme flood situation." Forecasts for some parts of southwestern Germany, where the Rhine's tributaries rise, are for up to 10 centimeters (4 inches) of rain over the next few days.

Towns across northern France, meanwhile, struggled with a fifth day of flooding on Wednesday as more rain fell on the already waterlogged countryside. Rain was not falling hard enough to worsen the situation in flooded areas but kept water levels high and prevented recovery efforts from getting under way in many areas, authorities said.

The cross-Channel train operator Eurostar said it is investigating the cause of a "minor fire" Tuesday evening in the rear power car of a train traveling from Brussels to London, a spokesman said. He said the company cannot specify the extent of the damage or the cost of repairing the engine. None of the 112 passengers was hurt, and most will "probably get a refund plus any accommodation costs" they may have incurred, the spokesman added. (AFX)

Investigators have broken up a suspected luggage theft ring at Milan's Linate Airport, the newspaper Corriere della Sera reported Wednesday. After two years of investigation, police on Monday arrested a baggage handler, Massimo Santo Russo, and 20 other airport workers are considered suspects, reports said. (AP)

EUROPEAN TOPICS

For a 119-Year-Old French Woman, Birthday Will Be Just Another Record

When she was born, Edison hadn't invented the phonograph or the incandescent light bulb. The

reign of Napoleon III had ended only five years earlier. Now, the 14-year reign of François Mitterrand is nearing its end, but Jeanne Calment is still going strong.

On Feb. 21, Mrs. Calment turns 120. The Guiness Book of Records already lists her as the oldest known person alive.

A group of three scientists and doctors spent time with her recently to research a book. Though her mind remains sharp, they had to interview her using the Midi accent of her native Arles. One of the authors, Michel Allard, a specialist on France's fast-growing centenarian population, credits her longevity in part to her "powerful capacity for mental visualization. She spends hours remembering happy scenes, reliving joyous moments."

She is obviously made of tough stuff. She didn't

finally stop riding her bicycle until she was 100.

At 80, she sold her house under the viager system, meaning she would receive payments for it, but the buyer, a notary, would gain possession only upon her death. Normally such a purchase from an 80-year-old would have made financial sense. Wryly, Mrs. Calment has sent the notary a card every year, saying, "Excuse me if I'm still alive, but my parents didn't raise shoddy goods!"

About 4,500 Irish country pub owners marched on Parliament on Tuesday to protest new laws they say are ruining their lives.

The laws, which brought Ireland into line with European Union regulations, lowered the legal alcohol blood level for drivers to the effective equivalent of one glass of stout or wine, under the old laws, most pub clients figured they could drink two and still be legal. The measure took effect during the Christmas holiday, and drink-related driving accidents over the period fell to half the normal level.

Saying thank you in a big way, a Swiss chocolate maker is celebrating its 150th anniversary by sending a 60-gram (2-ounce) chocolate bar to every one of the 234,522 homes in the country. The packages, from the Lindt & Sprüngli chocolate firm, will be delivered by mail; they would fill 53 train cars.

Brian Knowlton

WORLD BRIEFS

Yemenis Claim Saudis Mass Troops

SANA, Yemen (Reuters) — Political sources in Yemen said Wednesday that Saudi Arabia was massing troops, tanks and air power along the two countries' disputed border.

"The Saudis have been rushing tanks, rocket launchers, armored vehicles and infantry units toward the borders," one source said, adding, "They have also moved F-15 and F-16 planes and military helicopters near the borders." There has been no official announcement of a troop buildup and diplomats could not confirm one.

A Yemeni team is now in Riyadh for talks to resolve the border dispute.

Zimbabwe Sentences White Doctor

HARARE, Zimbabwe (AP) — A white doctor convicted of negligence in the deaths of two nonwhite patients was sentenced Wednesday to six months in prison and fined 10,000 Zimbabwe dollars (\$2,000).

THE AMERICAS /

Clinton, Bowing to Political Reality, Models a More Centrist Presidency

By Ann Devroy

Washington Post Service

WASHINGTON — President Bill Clinton has presented to a sharply partisan Congress a vision of a "new social compact" between a nation committed to civic responsibility and a centrist government that is cheaper, more effective and less intrusive.

In his longest address as president and one that runs with as many Republican themes as traditionally Democratic ones, Mr. Clinton said, "We must forge a new social compact to meet the challenges of our time." That compact, an updated version of his 1992 "new covenant" campaign theme, must be grounded, he said, in the tenets that "opportunity and responsibility go hand-in-hand. We can't have one without the other. And our national community can't hold together without both."

With the House speaker, Newt Gingrich, Republican of Georgia, looming behind him as a visible reminder of Democratic reversals under his leadership and as a barometer of Republican support or opposition to his words, Mr. Clinton delivered his third, and most comprehensive, State of the Union address.

He offered no new massive government efforts, like the health care plan that was the foundation of his address only a year ago.

Instead, Mr. Clinton, the first Democratic president since Harry S. Truman to address a Congress controlled by Republicans, bowed to the political imperative of

redefining a more centrist, visionary presidency.

He welcomed tax-cutting, regulation-trimming, program-shaving and government-shrinking all dear to Republicans and none of his major themes in his first two years.

William Kristol, a Republican analyst, called the address the "most conservative State of the Union by a Democratic president in history."

Instead of offering new government efforts, the president defended those he implemented, saying he would fight to preserve the ban on assault weapons, his economic recovery program, childhood immunization and early childhood education and veterans programs.

"When we cut," Mr. Clinton said, "let us

remember that government still has important responsibilities: Our young people hold our future in their hands. We owe a debt to our veterans who were willing to risk their lives for us; the elderly have made us what we are. My budget cuts a lot, but it protects education, veterans, Social Security and Medicare so should you."

Instead of calling for new government regulations, Mr. Clinton defended the results of government regulation to date: "I applaud your desire to get rid of costly, unnecessary regulations. But when we deregulate, let's remember what national action in the national interest has given us: safer food for our families, safer toys for our kids, safer nursing homes for our parents, safer cars and highways. Safer workplaces. Clean water and clear air."

While the language was markedly centrist for Mr. Clinton, many Republicans were not impressed. They applauded wildly when Mr. Clinton hit their political hot buttons: smaller government, tax reductions, less bureaucracy. But they glowered or sat on their hands when he invoked his own: gun control, government programs that he believes work, his version of the crime bill, his version of welfare reform.

Senator Arlen Specter, Republican of Pennsylvania, summed up the partisanship when he said, "I have been to 15 of these and I haven't seen an occasion when one party was doing the applauding and the other was sitting on its hands. I think that bodies a very tough year ahead."

The most enduring theme of Mr. Clinton's address was the acknowledgment

that the president was changing to a more centrist course.

"I have made my mistakes and learned again the importance of humility in all human endeavor," Mr. Clinton said. But he asserted that the country was better off than it was two years ago and called on Republicans and Democrats to "put aside partisanship, pettiness and pride" to do the business of democracy.

In the end, his most compelling call was more to the institutions and people of the nation than to the Congress he no longer controls, if he ever did. He challenged a broad range of institutions, from the entertainment industry in Hollywood, to corporate America, community leaders and religious leaders to move forward with their freedoms, but to exert more responsibility.



The president giving a thumbs-up Wednesday at Kutztown University in Pennsylvania.

Footnote on an Old Story About Dr. King

The Associated Press

LOUISVILLE, Kentucky — A former Kentucky state senator says she had a yearlong affair with the Reverend Martin Luther King Jr. and was with the civil rights leader in Tennessee the night before he was assassinated in 1968.

Georgia Powers discussed the relationship in her new autobiography, "I Shared the Dream," and in an interview published Wednesday in the Louisville Courier-Journal newspaper.

"The relationship between Martin Luther King Jr. and I began with mutual admiration," she wrote. "Gradually, our attachment grew

stronger until it passed beyond camaraderie into intimacy."

In 1967, Mrs. Powers became the first black person elected to the state Senate. The affair began that March, she told the Courier-Journal.

Civil rights activists criticized the Reverend Ralph Abernathy, Mr. King's lieutenant in the movement, five years ago when he suggested in his memoirs that Mr. King cheated on his wife. Mr. Abernathy also wrote of a liaison Mr. King had the night before he was killed with "a black woman" who was "a member of the Kentucky Legislature," but he did not name her.

Mr. Dornan also said Wednesday that Senator Strom Thurmond, the octogenarian Republican from South Carolina, had questioned him halfway through the address about whether there would be an intermission.

Officially, the White House expressed no regrets about Mr. Clinton's loquaciousness, saying that surveys by media organizations showed that the president had maintained the attention of his national television audience and that Americans had responded favorably to his appeal.

"There was a lot that he wanted to talk about," said Michael McCurry, the White House spokesman. Mr. McCurry said that Mr. Clinton had recognized that his additions were making the speech longer but had not expected Republicans to join in so many interruptions for applause.

"I think the gentleman from California owes the entire institution, the Congress and the president an apology," said Vic Fazio of California, chairman of the House Democratic caucus. "We have to have a respect for the person who is our commander in chief."

"Hell no," Mr. Dornan shot back. "Hell no."

He added, "I will not only not apologize, I believe the president did give aid and comfort to London to the enemy in Hanoi." (Reuters)

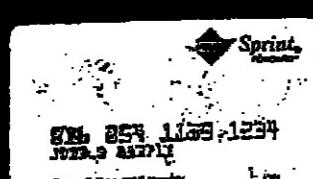
Rebuke for Attack on Clinton

WASHINGTON — A Republican representative's angry attack on President Bill Clinton's avoidance of the draft during the Vietnam War drew a sharp reprimand Wednesday on the House floor.

Robert K. Dornan of California had his short speech stricken from the official verbatim record of House proceedings after a biting attack on Mr. Clinton, who had honored a winner of the Congressional Medal of Honor.

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Herald Tribune

INTERNATIONAL

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Clinton Achieves a Toehold

A State of the Union address is normally about policies and promises. But at the center of President Bill Clinton's speech on Tuesday lay a political question: Can this president, after a decent first year and a disastrous second, regain his standing with the American people and his own party? What went wrong with this speech was not what it said about the future of America but what it would show about the future of one man.

Mr. Clinton is plainly aware how hard it is going to be to regain his footing. He cannot simply offer himself as a watered-down Newt Gingrich. But as he acknowledged in his first sentences, he cannot ignore the forces, including dissatisfaction with government in general and with his vacillating leadership in particular, that swept the Republicans to power.

The speech was extraordinarily long, but the president met the test of showing renewed engagement and the makings of an agenda that could compete with the Republicans'. He offered himself as a centrist alternative between the old-style Democrats and the new-style Republicans who have promised to take a sword to social programs. To that end, he pledged to reduce tax burdens on the middle class and "end welfare as we know it" — and to listen to Republicans who seek the same ends. But he stressed he would not accept fiscally irresponsible tax-cut proposals that would "explode" the deficit, put economic recovery at risk or diminish Medicare. On welfare, he said he agreed that the goal must be to move people from "dependence to inde-

pendence," but that he would not countenance legislation designed to punish people "because they happen to be poor."

He offered only a few new programs — an unspecified increase in the minimum wage, an increased effort to identify illegal immigrants, a campaign against teenage pregnancy, an incremental approach to health-care reform. In a sense, this was a speech haunted by the president's own mistakes and missed opportunities. He challenged the Republicans to follow the spirit of campaign finance and lobbying legislation killed by the Democratic leadership of the last Congress. His "new covenant" language, taken directly from his acceptance speech at the 1992 Democratic convention, had more to do with the way he successfully campaigned in 1992 than the way he has ineffectively governed in the White House.

Mr. Clinton had some winning ideas, but the test for him is making those words live through his behavior. He can regain his authority and regain a chance with the voters only by putting prolonged attention and specific legislation behind a few key items such as welfare reform, ethics legislation, further and responsible "reinvention of government" and what he called his "step-by-step" health-care reform.

As has so often been the case with this president, it is not his intelligence or grasp of policies that is in doubt, but his follow-through. This speech met the minimum requirement of giving him a toehold from which he can begin a march over the ground he has lost.

— THE NEW YORK TIMES

Handling the Mexico Crisis

The financial explosion in Mexico spells potential trouble for the global economy. But Mexico is not the only place that is making financial markets and foreign capitals nervous. Attention is shifting from the Mexican liquidity crisis to Capitol Hill, where President Bill Clinton's \$40 billion rescue package has come under U.S. congressional scrutiny. Foreign investors and Mexican government officials will not be the only nervous observers. The rest of the international community also will be watching to see how a Democratic president and a new Republican majority respond to their first international crisis.

If the hearings and final drafting of an accord should degenerate into the sort of partisan wrangling, posturing and point scoring that has bogged down the legislative process in Washington for the past two years, then it will be clear that despite the talk of bipartisanship, politicians remain infatuated with conducting business as usual. That would be an unfortunate outcome, for Mexico and for the United States. More is at stake than the fortunes of the Zedillo government, foreign investors or the Democratic and Republican parties. The American and Mexican economies, while vastly different in scope and wealth, are nonetheless interdependent, as the debate on the North American Free Trade Agreement made plain. This crisis

— THE WASHINGTON POST

Standby UN Police Needed

To protect a million-plus Rwandan refugees in Zaire, the United Nations appealed to 60 nations for peacekeepers. All 60 said no. The secretary-general then asked for a few dozen UN officers to support soldiers from Zaire. Again the answer was no. Falling back, Boutros Boutros Ghali now simply asks the Security Council to make available some Zairian troops assisted by civilian refugee officials. The prospects are uncertain.

In the camps there is no uncertainty, only desperation. The Hutu who perpetrated genocide in Rwanda last spring carried many of their people, with their supporting community structures, into exile in Zaire. The international relief agencies found these structures essential to funnel in quick aid. But that gave new power and coin to the old Hutu hierarchy, including war criminals, who steal the aid and keep refugees from going home. A moral dilemma has split the agencies: Stay and sustain a regime of killers or leave and let suffering refugees

— THE WASHINGTON POST

Other Comment

A Frightful Toll for Israelis

There is no doubt the Israeli public, like the great majority of Palestinians, hungers for peace and a normal life. There is no doubt either that a feeling is growing, fed by the murderous attacks of the Islamic militants and the slow pace of the peace talks, that such a peace will not be achievable now.

If that view becomes hardened in policy then all the gains of recent years

could disappear, and decades might pass before the chance to seek peace recurs. Terrorism has been taking a frightful toll in Israel. But the toll if the terrorists are allowed to wreck the peace process will be more frightful still. For if terrorism wins, then all that Israelis and Palestinians will gain will be able to look forward to is an era devoid of hope and filled only with greater tensions, hatred and increased bloodshed.

— Los Angeles Times

A Necessary U.S. Shift at a Perilous Mideast Moment

By Jim Hoagland

WASHINGTON — The bombers of Islamic Jihad target Israeli soldiers and civilians as their immediate prey. But the extremists also aim their blasts at the nebulous authority of Yasser Arafat, the peace-oriented Labor government of Yitzhak Rabin and the political systems of the Arab world.

The United States initially met the latest Middle East terror outrage with the customary appeals for calm, emphasizing

Arab leaders are bracing for a possible Israeli-Palestinian collapse and a surge in fundamentalist activity.

that terrorism cannot be allowed to derail the peace process. But this time the Clinton administration added welcome bite to the nostrums, deciding on Tuesday to freeze the assets in the United States of Islamic Jihad, Hezbollah and 10 other such groups.

This may signal that the United States is at last focusing on the broad geostrategic challenge posed by the revolutionary movements that shed blood in the name of Islam.

The Jihad bombers killed 19 youths on

Sunday at Netanya, bringing to 120 the number of Israelis who have died in terror attacks since Mr. Rabin and Mr. Arafat signed the Declaration of Principles accord on the White House lawn 16 months ago.

Outside appeals for calm and reason can do little now to stabilize the rapidly eroding local fortunes of Mr. Arafat and Mr. Rabin whose fates are in their own hands. They need a dramatic breakthrough — what military men call an "escape forward" — to rally the plummeting confidence and faith of Palestinians and Israelis in each other. Otherwise their enterprise risks limping on to be fatally undermined by new outrages to come.

The bombers seem close to accomplishing the political destruction of Mr. Arafat and his Palestine National Authority.

Israelis have discovered that the problem with Mr. Arafat in the 1990s is not that he is evil and treacherous but that he is irrelevant. He cannot impose himself or his institutions on the turbulent, desperate society created by Israeli occupation and Palestinian revolt.

The members of Mr. Arafat's 7,000-man police force poorly equipped and trained, have failed to establish control or even to try seriously to do so, to

the chagrin of Mr. Rabin's government.

In a reversal of the zero-sum game they once played, Mr. Arafat's failure is now Mr. Rabin's failure. They sink or swim together. A mutual high-risk gamble on going ahead with Palestinian elections and a modified Israeli withdrawal just might let them escape forward and regroup as Mr. Arafat and the peace process gain new legitimacy. But it is admittedly an enormous long shot.

Mr. Arafat's zero-sum survival struggle is now with Hamas/Islamic Jihad/Hezbollah on one side and King Hussein of Jordan, the consummate survivor who has again stabilized his shaky position in Amman, on the other.

If Mr. Rabin's Palestinian option collapses, either Mr. Rabin or a new Likud government will retreat the peace process with a Jordanian option for controlling the Palestinians.

Hussein, who backed Iraq in the Gulf War, has mended bridges with conservative Arab states and the United States that once seemed beyond repair.

President Hosni Mubarak of Egypt traveled to Amman last week to spotlight Hussein's return to the Arab fold. Mr. Mubarak hosted King Fahd of Saudi Arabia and President Hafez Assad of Syria three weeks ago. Their joint communiqué sounded a tough line on peace negotiations with Israel, suggesting that

Arab leaders are bracing for an Israeli-Palestinian collapse and a surge in fundamentalist activity.

Israel is no longer at the center of the preoccupations of Arab rulers, who must concentrate on the terror and subversion campaigns of Hamas, of the Armed Islamic Group in Algeria, of the self-styled "Afghans" trying to overthrow Mr. Mubarak's regime and of other revolts.

The United States correctly says that there is no central coordinating body nor a monolith of Islamic revolutionary movements and authorizes official U.S. contacts with the Algerian fundamentalists and others. That has infuriated Mr. Mubarak. Mr. Arafat, the Israelis and others. By stopping the transfer of funds from the United States to the terror groups, President Bill Clinton has made a necessary adjustment in a policy that had been too complacent.

The ruling political systems of the Arab world are intricately interlinked and form a society that as a whole has been remarkably open to Western influence and thought. With their different roots and influences, the revolutionaries rise to challenge that outward-looking society. The United States must fully recognize and combat the dangers involved in the deadly reach for power by Islamic Jihad and its bloody brothers.

The Washington Post

Mexico Rescue: U.S. Self-Interest Outweighs the Robin Hood Factor

By Thomas L. Friedman

WASHINGTON — There is an old saying among bankers that when someone owes you \$1,000 that's his problem, but when someone owes you \$1 million that's your problem. That bit of wisdom is good to remember as you listen to the demagogues opining that Mexico's debt crisis is Mexico's problem. Mexico owes the United States \$100 billion.

This is frustrating for a lot of people to acknowledge. And they are right to feel frustrated. The \$40 billion rescue package that President Bill Clinton has proposed for Mexico is a crazy cross between highway robbery and self-interest — a joint venture by Pancho Villa and Robin Hood.

But on balance, Washington has to go through with this bailout, because in today's intertwined global economy the United States can't save itself without saving Mexico, and it can't bail out the little guy without bailing out the billionaires.

A telling story in the Washington Post last week quoted "congressional sources" as saying that they saw "little political gain in approving ... a plan to bail out Mexico's economy when members, particularly Republicans, believe they were elected to deal with problems closer to home."

I've got news for those congressional sources: In today's intertwined, global market, Mexico is "home." There is far more U.S. industrial investment and mutual-fund investment in Mexico today than there is in the U.S. state of New Mexico.

And the economic collapse of Mexico would damage the United States, Latin America and Canada far more than the bankruptcy of New Mexico. To some extent, "home" is where the wallet is, and right now, if the average American were to check his pension fund or mutual fund, he would find that his wallet is spread from Toronto to Tierra del Fuego.

In the 1982 Mexican debt crisis, Mexico's foreign debt was held by a few big American

banks. That crisis was resolved by 12 bankers sitting in a dining room with a few Mexican bonds paying 11 percent. They made a killing, and now that things have gone sour, they are frantically digging 911 for Uncle Sam.

In today's global economy, the big holders of Mexican debt are not 12 banks but millions of individual Americans. If the Mexicans wanted to renegotiate with them, they would have to use Shea Stadium, not the 21 Club.

But where things get even more complicated is that those millions of investors fall into two categories. In one category are speculators who borrowed billions of dollars at low interest rates in the

United States years ago and invested them in Mexican bonds paying 11 percent. They made a killing, and now that things have gone sour, they are frantically digging 911 for Uncle Sam.

The problem is that the other investors in Mexico were pension fund and mutual fund managers investing Americans' money in search of higher returns. And if Mexico goes bankrupt, not only will millions of Americans lose directly on their Mexican investments, but indirectly from lost trade, jobs and destabilized financial markets.

That is why Patrick Buchanan is a fraud when he postures as

protector of the "little guy" and argues against the Mexican bailout. The truly populist thing to do is to protect the people's money, and, like it or not, Robin Hood and Billionaire Bob have a joint peso account.

The Mexico crisis also demonstrates how we have gone from a world dominated by superpowers to a world dominated by supermarkets. It is the Tokyo, New York, London and Frankfurt bond markets that will have as much say as governments in determining Mexico's fate.

In this crisis, the super markets told the Mexicans that they will only reinvest their money in Mexican bonds if Mexico restores investor confidence by

pledging Mexican oil revenues as collateral. The Mexicans, and the Clinton team, initially resisted this appeal, telling the markets that oil was Mexico's national patrimony, its crown jewels, and any Mexican government that hocked them could be toppled. They appealed to the markets to think of the big picture. Weren't U.S. government guarantees enough?

The markets said they were interested in the bottom line, not the big picture, and they preferred jewels. Mexico is now going to have to put some oil on the table. In the first major test between the superpowers and super markets, score this one for the markets.

The New York Times

This Growing Indifference Endangers World Peace

By Klaus Schwab and Malcolm MacLaren

each other concerned attention.

Progress in reconciling ancient enemies in the Middle East, South Africa and Northern Ireland, for example, is threatened by this new indifference. Until tempers have cooled and memories have faded, reconciliation remains a fragile process.

To ensure these processes against extremist backlash, the international business community must bring in their money — or "privatize the peace," as Shimon Peres has put it.

Until the international business community is ready for large-scale, long-term investment, development aid, however risky, must be committed and not merely pledged.

Future stability in these areas will be difficult to achieve if their inhabitants, many of whom remain suspicious of recent events, do not soon see some of the much-touted peace dividends.

Should rejections succeed in defeating these daring political initiatives, a new world disorder will follow.

The recent events in Mexico have demonstrated that the processes of economic reform and liberalization can be highly fragile. Like reconciliation, these processes demand international support and encouragement.

The way in which the international financial markets work in developing nations must be improved, through the establishment of new checks and balances, if these processes are to be ensured.

A certain apathy seems to pervade discussions of critical social, demographic and environmental affairs. Our crusading spirit in this area, so strong a few years ago, has seriously flagged.

The general public now attaches little importance to issues of economic disparity, population growth, disease, scarcity of resources, crime, refugee movements and environmental decay. Unless addressed, these problems threaten to bring profound stress and instability worldwide.

Moreover, the UN cannot agree to bring force to bear if necessary to back up a compromise. The guidelines for a new type of selective security must be clearly defined. Failing this, the prospects range from the outbreak of a major war between Serbia and Croatia to the breakdown of U.S.-Russia cooperation and the division of Europe once more along hostile lines.

A dangerous mindset now dominates the developed world and is crippling thinking and efforts in international affairs.

Business and political leaders must overcome this collective indifference and meet the challenges beyond growth. We must shape the future as we will — or we must accept any unpleasant surprises it holds.

Mr. Schwab is founder and president of the World Economic Forum and member of the High-Level Advisory Board to UN Secretary-General Boutros Boutros Gali. Mr. MacLaren is freelance journalist.

When Government Empowers and Citizens Feel a Duty

By E. J. Dionne Jr.

WASHINGTON — Newt Gingrich performed a huge service for President Bill Clinton last week. By forcing the president to defend his national service program, Mr. Gingrich has given him a chance to shift the political debate from a moldy contest over "more" or "less" government to ones about prior questions: What should government do in the first place, and what obligations do democratic citizens have to one another?

The service program is certainly worth defending in its own right, and the best arguments for it have been made over the years by conservatives.

One of the most useful pieces of work done by conservative intellectuals over the last two decades was a 1977 essay, "To Empower People," by Peter Berger and the Reverend Richard John Neuhaus. They argued that if government relentlessly took over all charitable functions, it would endanger society's "mediating structures" — the institutions created by families, communities and churches — that nurture individual virtue and "mediate" between government and the individual. Government, they said, should strengthen these institutions as a central goal.

That, roughly, is what the service program does. The volunteers for AmeriCorps, as the main service agency is called, do not work for a federal bureaucracy. They work for established local institutions that are trying to solve problems: preventing crime, teaching literacy, immunizing children against diseases, helping the homebound elderly, curbing teen pregnancy.

The main function of the program's Washington arm, the Corporation for National and Community Service, is to monitor the

people and others. But pushed to the extreme, multiculturalists argue that the only forms of solidarity that counted were those within these particular groups.

Those who value the idea of democratic citizenship argue that preserving freedom is a cooperative enterprise that carries burdens of responsibility. We cannot just walk away from social problems. Against extreme multiculturalism, advocates of democratic citizenship argue that our sense of solidarity needs to transcend all our particularisms. Whites need to vindicate the rights of blacks; blacks the rights of whites; men those of women; and women those of men.

The Clinton administration has been obsessed with its failure to "communicate" its achievements to the American people. This is the wrong obsession. It implies that the American people are too dumb or too bamboozled by Republican propaganda to "understand" all that the president has done.

What the administration should worry about instead is that it is losing the political argument. Americans have surveyed what they see as a series of messes — crime, family breakup, stagnating living standards for many in the middle — and a majority has decided (tentatively) that the best way to deal with all of them may be for government to do little more than throw the book at criminals.

There is a corresponding retreat into enclaves. Suburbanites, to pick one example, are tempted to give up on the inner cities, fearing they have enough problems of their own. Think of it as the suburban (or male or white) answer to multiculturalism.

Mr. Clinton and the Democ-

rats will not win the argument unless they reverse these trends. One worthy way of doing so is to preach the rewards — and the obligations — of democratic citizenship. A

OPINION

Time to End This Assault On the Honor of a Nation

By George F. Will

WASHINGTON — President Bill Clinton is looking for love in all the wrong places, with fatalities like a "middle-class bill of rights" and banalities like another increase in the minimum wage. He could add 10 easy points to his approval rating without spending a dime or more than five minutes of his time. But before saying how, consider how life has felt to many Americans during recent decades of in-your-face government.

Their children have been bussed away from neighborhood schools. Their children have come home

Democrats don't seem to understand the anger over the Smithsonian's antics.

from school, using the condoms they got there as book marks in the books they got there ("Heather Has Two Mommies" and "Daddy Has a Roommate"), condoms that are facets of sex education designed to compensate for the presumed backwardness of the parents.

They have seen courts concoct myriad constitutional impediments to the execution of even vicious killers, and have seen courts make it problematic for parents even to be notified when their minor children want to have abortions. They have seen their nation's electoral map smeared with congressional districts shaped like road kill so that some

government-certified victim group can enjoy an entitlement to send one of its own to Washington.

They have seen the federal government weave a racial, ethnic and sexual spoils system, the premise of which is that life in America is so dismal that about 280 percent of the population qualifies for victim status. (A Hispanic-summarized lesbian qualifies three times over — four if she is "disabled" by the "stress" of working.) They have been called yahoos for objecting to their tax dollars being used to display photographs of bullwhips in rectums and crucifixes in jars of urine. They have recently seen their tax dollars finance the writing of ideologically tendentious standards for the teaching of history (19 references to McCarthyism, none to Thomas Edison; the foundations of the Sierra Club and National Organization for Women are considered meritorious; so are Prudence Crandall and Speckled Snake).

The Smithsonian Institution, like the history standards, is besotted with the cranky anti-Americanism of the campuses where the American can left has gone to lick its wounds, rationalize its irrelevance and teach the humanities as an indictment of America as a blemish on Western civilization. Four years ago the Smithsonian produced an "art" exhibit, "The West as America," wherein westward expansion was portrayed as an alloy of only three elements — capitalist rapacity, genocide and ecocide. And now the Smithsonian is hip-deep in an



'We're rewritten the war with Japan; now I suggest we rewrite the history of the war with Germany from the Nazi view. Poor things have been misunderstood lately.'

other morass of its own making.

For the 50th anniversary this August of Hiroshima, the Smithsonian is planning to display the fuselage of the Enola Gay, the B-29 that dropped the bomb. The Smithsonian wants to portray Japan as yet another victim of racist, imperialist America. Said the Smithsonian's initial script, "For most Americans, this... was a war of vengeance. For most Japanese it was a war to defend their unique culture against Western imperialism." Never mind that the Japanese even display artifacts without attacking the country?" Mr. Panetta replied that "there are legitimate views on all sides of difficult issues like that."

Until Democrats stop talking

netta, was asked if he understood how annoying the Smithsonian's antics are to many people.

He said: We are in a "transition period" and people are "angry about a lot of things" — government, their security, their children's future — and we need "tough decisions." Mr. Panetta's questioner tried again, asking if Mr. Panetta could sympathize with people who say, "Can't the government in Washington even display artifacts without attacking the country?" Mr. Panetta replied that "there are legitimate views on all sides of difficult issues like that."

such mush about assaults on the nation's values and honor, their party will continue to wither. But suppose Mr. Panetta's boss strode into the White House press room and, with appropriate podium-pounding, declared: "Heads are going to roll and funds are going to become scarce at the Smithsonian unless the cloth-headed, condescending perpetrators of such insulating rubbish quit using our money to tell us that our nation is nasty and that we are philistines for resenting it when our betters tutor us about our nation's sinfulness." Etc.

Five minutes, maximum. Ten points, minimum.

Washington Post Writers Group.

A Call for UN Action

The horrendous and despicable act of terrorism in Israel on Sunday demands an immediate response from the UN Security Council under its charter mandate to promote "international peace and security."

There is not the slightest doubt that this and other repeated acts by fundamentalists are designed to halt the peace process initiated on Sept. 13, 1993, on the lawn of the White House and in which so many have invested their efforts and hopes.

A demand should be forthcoming from the highest organs of the United Nations to the effect that states which are labeled terrorist, or supporters of terrorism, should take heed that the international community has staked too much to allow

peace to be frustrated. If the Security Council can intervene in war it surely has the right to intervene to prevent state parties from supplying physical and moral support to disrupt a pregnant peace process.

Because the United Nations has such an unbalanced record in the 50 years of conflict in the Middle East, it has been practically excluded from the ongoing peace process.

Now is the opportunity to prove its bona fides by resoundingly condemning parties and states directly or indirectly responsible for these repeated acts of terror.

MORRIS B. ABRAM.

Geneva.

The writer is the chairman of UN Watch and a former U.S. permanent representative to the United Nations, Europe.

Tolstoy and Grozny

Regarding "A Troubled Conscription on the Road to Grozny" (Meanwhile, Jan. 20) by Peter Crane:

Neither Tolstoy nor any other Russian attacked Grozny during the 19th-century conquest of the Caucasus: the place was an imperial Russian outpost. It began as a Russian fort in 1818. General Alexei Ermolov (the Russian consul of the Caucasus from 1816 to 1827) chose the name "Grozny" in hope of terrorizing the local Chechens (the Russian word means "terrible" or "dreadful").

More antagonized than scared, the indigenous population was understandably hostile to this incursion, and Chechnya became a major theater of operations in Russia's

prolonged war to subjugate the northern Caucasus (a goal essentially achieved in 1859 with the surrender of Shamyl, the imam of Chechnya and Dagestan).

After the discovery of oil in its area in the 1830s, Grozny grew into a town of some commercial importance, always under exclusively Russian authority. During his military service in the early 1850s young Tolstoy went to Grozny, but as a touristic visitor.

When Tolstoy wrote "Hadji Murat" during 1896-1904, he presented the horrific aftermath of a Russian assault on the Chechen village Makhket. As for "The Raid," the Russian text of the story does not name the village attacked by the imperial army nor even mention Chechnya, though Tolstoy was indeed stationed in a

Russian Cossack settlement on that territory's northern frontier.

SUSAN LAYTON.

Paris.

The writer is author of "Russian Literature and Empire: Conquest of the Caucasus From Pushkin to Tolstoy."

Stop and Do Jump Squats

Regarding "On Road, Drowsiness Is as Deadly as Drink" (Dec. 10):

Pulling over to sleep is not the only solution. To combat drowsiness, you can stop the car and do jump squats, or run (*in situ* or around), until the heartbeat races. Or, if this is too strenuous, equally effective is to sing or shout at the top of your lungs nonstop.

MONROE SOLOMKA.

Bilbao, Spain.

Front-Page Psychologizing Has Gotten Out of Control

By Ben Yagoda

SWARTHMORE, Pennsylvania — In Philadelphia not long ago, a teenager was bludgeoned to death by a gang wielding a baseball bat. What was striking about the local news coverage was how little space was devoted to the horrible act and how much to a kind of interpretive

MEANWHILE

free-for-all: the casting of blame on the 911 emergency-call system, leading to the mayor's firing of several dispatchers, all of them black. Black leaders' outrage at this "scapegoating"; the mayor's outrage that race had been injected into the whole thing.

In fact, the arc of this story was not unusual. A typical front page of a 1990s American newspaper consists of articles about people's assorted resentments, disappointments, predictions, anger, optimism or pessimism concerning one thing or another, as well as one or two accounts of murders, invasions and other events.

This approach is the outgrowth of two long-standing journalistic genres of borderline legitimacy: the "mood of a nation" and "reaction" stories.

Politicians have always used the latter to their advantage. Thus the long-time mayor of Baltimore, William Donald Schaefer, acquired a nickname from the near-Homeric formula used in headlines about him: "Mayor Annoyed."

But now, politicians' reactions

themselves stimulate reactions. A criticism of former Mayor David Dinkins of New York was that after terrible things happened in the city, the mayor never appeared upset enough. He finally called a news conference and told reporters, "I will endeavor to express myself in such fashion that the least perceptive among you will understand that I'm angry as hell."

Journalists have begun to concern themselves with subtle, sometimes minute, psychological distinctions, worthy of a Henry James, as in the following headlines I've collected: "Clinton Is Leery of Premature Joy"; "Chronic Pessimism Haunts Germans"; "Giants Are Sad, but Not Sorry." There are even stories about the absence of an emotion: "Bush Choice Fails to Upset Top Aide."

Another treasure trove of the state-of-mind story is the sports section. Merely reporting games won, contracts inked and injuries suffered wouldn't satisfy the sports fan's hunger for reading matter. And so he can read "Stunned Islanders Fight Off Despair" and "Hawkeyes View Paterno's Gloom Skeptically."

The latter is an example of what I call a "double" — reporting a state of mind about another state of mind. Others from my file: "American Jews Furious at Bush's Criticism of Israel"; "GOP Fears Overconfidence in South"; "Schmidt Says He's Bothered by Pessimism of Fans, Media"; "Islander Malaise Has Arbour Angry" and (a personal favorite) "Gloom at Saatchi Spawns Anger."

A triple is a much rarer thing. One of the few on my list is about the Red Sox manager: "Hobson Fires Back at Critics of His Toughness."

In part, journalism is merely following deeper trends. In his book "Historical Consciousness," the historian John Lukacs argues that the most salient characteristic of the modern world is the triumph of mind over matter, the sense in which consciousness in many forms now takes precedence over physical reality.

There is also a less cosmic, but maybe more important, explanation for the emotion fetish: editorial laxness. Led on by spin doctors, gaping news holes, perceived demand and simple fashion, reporters and editors have let the flimsiest concoctions pass as news. I'm pessimistic about reversing the trend.

Mr. Yagoda, who teaches journalism at the University of Delaware, is writing a history of *The New Yorker*. He contributed this comment to The New York Times.

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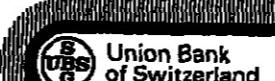
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HEALTH / SCIENCE

Why Dying Stars Go Out With a Bang

By John Noble Wilford
New York Times Service

NEW YORK — At the end of their bright lives, their nuclear fires spent and the heavy hand of gravity bearing down, stars of the most massive kind muster one last spurt of energy and go out with a bang.

First the cataclysmic collapse: The star's iron core implodes, shrinking in less than a second from a diameter of several thousand miles to an extremely dense ball of 40 miles (65 kilometers), with no loss of mass. Then the explosion: Milliseconds after the collapse, in an eruption that is among the most violent events in nature, all the star's outer layers blow apart. For a brief instant, the fireball shines with the brilliance of 100 billion stars.

These spectacular supernovas, scattering stellar ashes hither and yon, are acts of cosmic renewal. The debris becomes the stuff of interstellar dust, new planets and life itself. Nearly all the atoms of carbon, silicon, calcium and iron that make up a person's body weight and nearly all the oxygen in water and air had their origins inside these doomed stars.

For decades astrophysicists studying supernovas could understand the forces causing the sudden collapse but were at a loss to explain the explosion. Now they can.

By simulating the inner workings of supernovas with supercomputers, scientists

at the University of Arizona in Tucson and Los Alamos National Laboratory in New Mexico have discovered the mechanism that is most likely to trigger the explosion.

It is the work of convection currents in the gaseous envelope surrounding the star's just-collapsed core. Like water brought to a boil in a pot, the gas is heated by neutrinos, the energetic, virtually massless subatomic particles radiated by the extremely hot core. In about a tenth of a second, the buildup of pressure blows the lid off the star's shell.

The phenomenon was described at a meeting of the American Astronomical Society in Tucson by Dr. Willy Benz, a University of Arizona astronomer, and Dr. Marc Herant, a Los Alamos astrophysicist. Another model of the same mechanism was reported by a group led by Dr. Adam S. Burrows, a theoretical astrophysicist at Arizona, and including Dr. John C. Hayes of Arizona and Dr. Bruce A. Fryzell of the Goddard Space Flight Center in Greenbelt, Maryland.

"This is a real breakthrough," said Dr. Alex Filippenko, an astronomer at the University of California at Berkeley. "For the first time, we think we know how the explosion happens."

The new models explain not only the cause of the explosion, scientists said, but some of its observed effects, including the dispersal of heavy elements in the debris, the overall asymmetric shape of the supernova fireball and the behavior of pulsars.

Left behind after the explosion is a stellar

corpse known as a neutron star, the dense core stripped of everything else. Some neutron stars, spinning rapidly, emit pulsating radio signals, and so are called pulsars.

Previous models had been unsatisfactory because, though it was known that the stellar collapse generated tremendous energy, scientists could not show how the heat could be transferred from the core into the outer layers in sufficient amounts to set off the explosion. One explanation was that the shock wave from the collapse reverberating outward might lead to the supernova. But in other simulations, this never seemed to occur.

To the dismay of scientists, the shock wave always stalled out before it could produce an explosion. In such an event, the star, instead of exploding, would probably disappear into a black hole, a concentration of mass so dense that no radiation can escape its gravitational grip.

"The sudden, near-one-millionfold compression of the core makes it fantastically hot, on the order of several hundred billion degrees," Dr. Herant said. "It becomes a huge reservoir of heat energy, more than 100 times the amount of energy needed to power a supernova. The problem then is how to tap that energy."

For their simulations of the death throes of massive stars, the researchers used powerful computers capable of running millions of calculations a second. They could thus test models by plotting changes oc-

curing in microseconds and determining the likely consequences, given the laws of modern physics. They were able to model the actions and reactions in two and sometimes three dimensions, not the one dimension to which previous simulations had been limited.

The scientists also benefited from detailed studies of SN1987A, the closest supernova to be observed in the last 400 years. The stellar explosion became visible in February 1987 in the Large Magellanic Cloud, a galactic neighbor of the Milky Way. The last one seen in the Milky Way itself was recorded by Johannes Kepler in 1604.

Stars of more modest size, like the sun, do not come to explosive ends. When they deplete their nuclear fuel, their outer layers gently drift away into space and the stars cool off, becoming dim white dwarfs. (That fate is at least five billion years away for the sun.) But stars that are 8 to 100 times more massive than the sun have shorter life spans and more catastrophic deaths. The nearby giant star Betelgeuse is a prime candidate to expire some day as a supernova.

When such a massive star exhausts its primary fuels of hydrogen and then helium, it must consume successively heavier elements that have been produced in its fusion furnace.

This is an act of desperation, and for a time the energy released prevents the star from collapsing under its own weight. But when by this process the star's core finally turns to iron, it is the beginning of the end.

IN BRIEF

Test for Prostate Cancer Is Found to Be Reliable

NEW YORK (NYT) — Researchers reported Wednesday the first strong evidence that a widely used blood test for prostate cancer accurately detects a significant majority of cancers that will later grow, spread and become deadly. The news should ease nagging doubts about the test that have troubled many doctors and patients.

The test, known as PSA, could find 80 percent of aggressive prostate cancers five years before they would otherwise have been detected and could find half of all aggressive prostate tumors 10 years before they would have been noticed.

But the study, published in *The Journal of the American Medical Association*, did not address the pressing question of whether treating prostate cancer early saves lives. In some cancers, like lung cancer, even early detection and treatment do not make a difference in survival rates. Because the treatment for prostate cancer has many serious side effects, the debate over the use of the test continues.

Lack of Hormone May Cause Diabetes Complication

NEW YORK (NYT) — A painful and sometimes disfiguring complication of diabetes may be caused by an underproduction of a hormone that nourishes and maintains the body's nervous system, according to a new theory.

The theory offers a novel explanation

for the condition known as diabetic neuropathy, a gradual deterioration of peripheral nerves that generally affects old patients and initially causes a painful burning sensation in the hands and feet. It can lead to foot amputations, impotence, incontinence and gastrointestinal problems. It had been thought that the condition was caused by too much sugar in the blood, but the new theory suggests that it is caused by a deficiency of a recently discovered nerve growth factor.

If this idea is correct, it may be possible to prevent nerve damage by supplementing the body's own supply of this hormone with daily injections, said Dr. Douglas Ishii, a biochemist at Colorado State University.

U.S. Meteorologists Issuing Longer-Term Forecasts

NEW YORK (NYT) — From now until June at least, it is likely to be warmer than normal most of the time in most of the United States, according to the first of a new generation of forecasts that the National Weather Service has begun issuing a year or more in advance.

Until now, government meteorologists have issued forecasts for no more than three months in advance, and then only to describe the chances that a given area would be warmer, colder, wetter or drier than normal. They believe that now with computer simulations and statistical analyses of past weather patterns on which long-term forecasts are based, they may be able to extend the horizon of their predictions.

PARIS FASHION

Saint Laurent: Venus Emerging From a Tuxedo

By Suzy Menkes
International Herald Tribune

PARIS — The embroidered bodice rose like Botticelli's *Venus* — not from a shell, but from a tuxedo jacket ringed the hipline.

In a virtuoso couture performance, Yves Saint Laurent played *couture conjuring tricks*: chiffon handkerchiefs plucked from the bosom of curvy jackets; or satin lapels unfurling from the knees. In one tuxedo double act, an absinthe-green satin jacket with kingfisher-blue lapels was worn with a black dress rising from pink lapels.

"It was a *jeu d'esprit*, but very difficult to do technically — almost impossible," said Saint Laurent of his witty, wondrous and utterly chic takes on his signature tuxedo.

The French have the word for Saint Laurent's masterly elegance: *im-peccable*, rapped out in three syllables like the click of heels on a Paris sidewalk. From its plain tailored opening to its lyrical butterfly-strewn ending, Saint Laurent's cut, fit, use of color and decoration was impeccable in any language.

Or try the French *irréprochable* and read that as the neat charm of the bourgeoisie: a dog-tooth blazer, given a twerk by using natural and brown, instead of black and white; or a man's suit softened with a rose-pink pinstripe and matching puffed-sleeved satin blouse. Touches of the 1940s came with platform shoes and perky cocktail hats, aflutter with butterflies. They cheered up day wear that was perfectly predictable, while the evening clothes were magical.

Butterflies were the show's theme: not just translucent wings alighting on the hats, but as graphic prints on the trim day dresses, or swarming on the brocade for the bridal gown, its colors reflecting the vivid flowers decorating the runway arch.

The purity and simplicity of

Saint Laurent's evening dresses comes from an effortless mastery of technique that is the distilled essence of haute couture. So in three exceptional dresses, white satin just insinuated itself to the figure, hibiscus-red crepe slithered from its V-neckline and raspberry chiffon poured like a melting sorbet.

"The man reached perfection — and it not often we see that," said loyal client Nan Kempner, while Nicole Fischeris, fashion director of Saks Fifth Avenue, plans to put all the tuxedos in the store's Manhattan windows.

If the Balmain show was Oscar de la Renta's swan song (he is threatening to return to New York), it had some fine feathers. But they were not necessarily the Swan Lake plumes on a pastel-pink ball gown with dyed-duck headgear. And definitely not the techno bright chiffon coats edged in marabou like sleazy lingerie.

Instead, de la Renta showed a new incisiveness with his scissors, cutting a mean suit, with long jackets seamed taut to the torso and skirts hovering on the knee. In mimosa yellow or navy traced with white, they made some of the best client clothes seen so far for the summer season.

"The colors, I loved the colors," said de la Renta's buddy U.S. Ambassador Pamela Harriman, who was wearing a wine-red and navy Geoffrey Beene suit, but talking about Balmain's hot coral or sweet pastels.

Draped cocktail jackets and fluffy ball gowns, not to mention the wedding dress, were arranged on the skirt, looked right out of the Balmain's 1950s archives, by way of John Galliano, whose couture spoofs in ready-to-wear have come to roost in this couture season.

That retro feeling had spread even to the runways of Guy Laroche, but designer Michel Klein, 37, honed on old fashion magazines and flea market finds, gave a youthful touch to the camp-



Saint Laurent's sheath dress rising from a tuxedo skirt.

couture style. The models wore fitted suits and teetered on high heels, but colors were sunny, from tequila sunrise orange through golden yellow, and stylized hair and hats were witty. So was the question mark jewel suspended from the straps of a little black dress.

Klein is growing into his couture skin. He showed dresses in a lattice of pleats that were well-wrought though they were entitled "Mission Impossible." Klein's lack of technique got him into trouble with lingerie soft dresses supposedly built to the body. But at least he made enchanting cover-ups of airy stoles with Chinoiserie embroideries.

The best of his show were the modern pantsuits and simple trench coats — doubly welcome in a season fixated on *jolie maladie* and stiletto heels.

So did Hanae Mori know that Saint Laurent had netted her signature butterflies? Her favorite motif was replaced with a striking print of a carp down the front of an evening dress and bold splashes of tachikai art. Mori, who is one of the quiet success stories in current couture, said that she could hardly get the collection finished because of the demands on her ateliers from the Japanese court and from her 200 clients.

They will love her scalloped suits cut on the curve, petalized skirts and the off-the-shoulder bodice that made a pretty wedding gown.

Reviewed by Alan Pell Crawford

FABLES OF ABUNDANCE: A Cultural History of Advertising in America

By Jackson Lears. 492 pages. \$30. Basic Books.

The book is built with the help of a 274 million franc (\$52 million) legacy from the sale of jewelry bequeathed by the Duchess of Windsor.

Pasteur had demonstrated in 1885 that rabies, a certain killer caused by a virus, could be cured by the timely application of a vaccine prepared from the saliva of an infected animal. His first patient survived, but others died, leading to a furious panic in which Pasteur was accused of poisoning people rather than curing them. But Pasteur and his assistants were eventually able to prove that the method was safe in all but a few cases in which the treatment was administered too late.

At the end of his life, Pasteur was able to say, "Where are the contradictions now?

They have disappeared, but the truth remains." Another Pasteur saying, still much quoted by researchers at the institute, is that discoveries — like Luc Montagnier's identification of the virus that causes AIDS — come to "the prepared mind."

Dr. Montagnier's long battle with Robert Gallo of the United States over who first discovered the human immunodeficiency virus was reminiscent of Pasteur's fight with the German biologist Robert Koch over the reproduction of certain germs by spores. Dr. Montagnier won his argument, which Dr. Schwartz said, "is more important for moral and ethical, than for economic reasons."

The Pasteur Institute opened in 1888 to treat rabies, after an international public subscription supported among others by this newspaper, which reported, "special buildings outside are arranged for dogs, pigeons, guinea pigs, rabbits and the various other animals that are to suffer in the cause of science."

Today the land on which those buildings stand is occupied by high-tech laboratories, a hospital and a recently opened scientific library and information center, which was

built with the help of a 274 million franc (\$52 million) legacy from the sale of jewelry bequeathed by the Duchess of Windsor.

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PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

German Church Admits to Holocaust Guilt

Bishops Say Catholic Anti-Semitism Abetted Nazi Slaughter

By Stephen Kinzer
New York Times Service

BERLIN — In an unusually blunt confession of guilt, Germany's Roman Catholic bishops have asserted that Catholics share responsibility for the Nazi Holocaust.

The bishops deplored the failure of German Catholics to act against Nazism, and asserted that they now bear a special responsibility to speak out against anti-Semitism. "The denial and guilt that was prevalent in those days also came from the church," the bishops said in a statement.

"During the period of the Third Reich, Christians did not carry out the required resistance to racist anti-Semitism."

Christian and Jewish leaders welcomed the bishops' statement, which was issued in advance of the 50th anniversary, on Friday, of the liberation of the Auschwitz concentration camp in Poland.

"There has never been such a clear recognition of guilt and its consequences for the Catholic Church and for Christians," said Ansorg Koschel, general secretary of the Association for Christian-Jewish Co-

operation. A leading Catholic theologian, Johann-Baptist Metz, said there was "a new quality" in the statement, and predicted that it would inspire "Christian moral courage."

The Auschwitz anniversary is being observed in Germany with seminars and public events. More than 400 specialists from Germany and elsewhere are holding a weeklong conference in Hamburg to discuss "the roots of Nazi mass murder" and to encourage Germans to defend the rights of minorities.

Catholic bishops here had hoped to issue their acknowledgment of Catholic guilt together with bishops from Poland, but were unable to reach agreement on a common text. Some Polish Catholic leaders have angered Jews by refusing to acknowledge what Jews say is the singularity of their suffering at Auschwitz.

The German statement issued Tuesday began with the assertion that "the overwhelming majority of the prisoners and victims at this camp were Jews."

For that reason, it said, Auschwitz is the

symbol of the destruction of European Jewry.

"It weighs heavily upon us to know that there were only isolated initiatives on behalf of persecuted Jews," the statement said, "and that even after the pogroms of 1938 there was no clear public protest when hundreds of synagogues were burned and destroyed, cemeteries were desecrated, thousands of Jewish businesses were demolished, countless Jewish homes were attacked and plundered, and people were insulted, mishandled and even killed."

German newspapers welcomed the bishops' statement, although some said it came years too late. "The acknowledgment of anti-Semitism in the 2000-year-old church, and the admission that Christians did not undertake the required resistance to anti-Semitism during the Third Reich, has never before been so clearly stated," the *Rheinische Post* said.

A spokeswoman for the German bishops, Heike Thome, said the statement was intended to be "a cry against forgetting, an appeal for reflection and remembrance."

Dresden Confronts a Fatal Anniversary

50 Years After the Firebombing, Its Memory Opens Old Wounds

By Stephen Kinzer
New York Times Service

DRESDEN, Germany — In the half-century since one of history's most devastating firebombing raids reduced Dresden to rubble, the city has been largely rebuilt. Some of its most magnificent edifices, including the baroque 18th-century Zwinger Palace and the stately Semper Opera, have been painstakingly restored and now look much as they appear in prewar photos.

Nine hotels are expected to open this year to accommodate the steadily increasing stream of tourists who come here to see the city and the spectacular treasures in its museums.

Yet, despite Dresden's new prosperity, many visitors cannot escape an eerie sense of the horror that is forever bound up with its name. The Allied bombing of this city remains the central experience in its history and one of the defining moments of World War II. Next month, Dresden will observe the 50th anniversary of the bombing.

Planners of the observance have a difficult balance to achieve: how to mourn the victims without seeming to cast blame on the countries whose pilots carried out the raids. That balance is made more difficult by continuing debate among historians about whether the bombing of Dresden was necessary.

The stated objective was to destroy railroad yards and thus delay the deployment of German troops to the eastern front. But the scope of the bombing was far greater than would have been necessary for that end, and has led some historians to suggest

that its true purpose may have been to destroy the morale of the German people.

In three waves of bombing on Feb. 13 and 14, 1945, British and U.S. bombers dropped nearly 3,500 tons of explosives and phosphorus on what had been one of Europe's most beautiful cities. City records hold the names of 39,773 "officially identified dead." But, with the city swollen with refugees, the true toll was probably much higher.

Memorial services have been held in Dresden every February since the bombing, but this year's program is far more ambitious than any before. There will be concerts, speeches, art exhibitions, theater performances and poetry readings.

Roman Herzog, the president of Germany, will deliver the main address on Feb. 13. His decision to appear has already set off criticism from some intellectuals. One, the writer Ralph Giordano, warned that Mr. Herzog's appearance would encourage those who see Germany as "the eternal victim of history."

"In this world view, there is no such thing as Germany; the perpetrator," Mr. Giordano wrote in an open letter to Mr. Herzog. "Those who want to twist the truths of history and minimize Germany's crimes are seeking to mislead the memory of that horrible night in Dresden."

In reply to these criticisms, Mr. Herzog insisted that he had no intention of "pouring oil on that fire."

"For me, Dresden is an occasion to radically reject war," he said in an interview.

The face of every older person on the

street here seems to hide memories of the firestorm. One such face is that of Anita John, a retired bookkeeper who was 12 years old on the night of the raid. On a recent afternoon, sipping coffee in her living room under a painting of old Dresden, she told her story quietly and without tears.

"My parents and I ran into the basement when the first alarm sounded," she recalled. "There were about 50 of us down there. When the bombing began, the noise was deafening. The earth shook like an earthquake without end. We lay on top of each other until it finally stopped."

"Some of the people decided to try to make their way out through the city," she added. "A few survived, but most of them we never heard from again. Fourteen of us were in the cellar when the second raid began. Smoke began to pour in. I lost consciousness. When I woke up, my parents and everyone else in the cellar were dead from smoke poisoning. I walked out into the daylight and saw that the city was still on fire."

"There was no way to control it. Bodies were everywhere. Somehow I made my way to a cousin's house. When she opened the door, my resistance finally broke and I collapsed."

Asked if she considered the bombing to have been a war crime, Mrs. John replied, "Of course it was."

After a moment, she spoke again. "It's only fair to add that Germany started the war. Hitler's insane ideas were responsible for it all. The Allies were only hitting back."

"If there is a lesson from Dresden, it is that war itself, any war, is a crime."

Islamic Jihad Denies It Has Assets in U.S.

SUICIDE: Many Palestinians Lured by Martyrdom

Continued from Page 1

ing 57 Israelis in the last year. Just as the bombings have shaken Israel, they have also sent currents of admiration through young men here who declare that they, too, are eager to go to paradise by killing Jews.

A generation that in other circumstances might have seen athletes or actors as role models seems to idolize the gunmen and suicide bombers of Islamic Jihad and its militant twin, Hamas.

Their pictures hang in homes and are carried in wallets and on key chains. Walls are covered with graffiti saluting them and with bold drawings of their attacks. At some demonstrations, young men wear sheets like shrouds, indicating their readiness to die.

The cult was on full display recently at a rally in the town of Khan Yunis honoring another local hero, Ayman Radhi, who blew himself up last month in Jerusalem, injuring 13 people.

The crowd was entertained by a group of singers in black leather jackets and ties. Known as "The Martyrs," they looked something like teenage idols from the 1950s, but they were about a different kind of love.

"Ayman, pure lover of Jerusalem," the leader singer crooned. "You are safe in paradise next to God. The tears of your mother are roses and jasmine. We are Palestinian Muslims fighting the Zionists."

"We don't call this suicide, which is forbidden in Islam," said Imad Falouji, publisher of a Hamas newspaper. "These are martyrdom operations. We are

showing a uniformed fighter stepping on a pile of skulls, covering the stage."

Such worship of heroic death first spread here in the late 1980s, when the Palestinian uprising began and many young men witnessed daily bloodshed during street clashes with Israeli soldiers.

In recent months, support for anti-Israeli attacks has been fueled by growing frustration over the lack of change in living conditions under Palestinian self-rule, and by anger at Israel's continued presence in the Gaza Strip and its control of the area's borders.

To many Palestinians, the suicide killers are models of defiance, rebelling against a life of degradation. Their actions serve as an antidote to the constant nursing of grievances that is a habit here after decades of occupation.

"I'm not living like a human being," said a high school student at the Khan Yunis rally who gave his name as Mohammad. "This is not a dignified life. Either an honorable life or martyrdom."

A man called Abu Rateb, who is married with children, said: "We're dead now. We live when the pieces of our bodies are collected in Tel Aviv."

Such an end is seen here as a beginning, a passage from a transient and grim existence to the pleasures of eternal life — a world where, according to Islamic belief, martyrs enjoy 72 virgin brides and are next to God with other righteous men.

"We don't call this suicide, which is forbidden in Islam," said Mr. Falouji, publisher of a Hamas newspaper. "These are

martyrdom operations. We are

commanded to wage holy war for the sake of God. Here the attacker is assured success, he avoids arrest, inflicts heavier casualties on the enemy and gains martyrdom."

But to Dr. Mustafa Masi, a psychiatrist in Gaza's only community mental health program, such glorification of death is a sign of depression and despair.

"Our own society is somehow committing suicide," he said. "Look at our streets — we are neglectful of everything. There is a depression in this country. At social gatherings you hear people talking about basic needs, political and economic problems, but there is no mention whatsoever of the future."

Dr. Iyad Sarraj, the program director, said that in such a state of impotence, some people could be powerfully attracted to the idea of suicide attack.

"It is an act of ultimate control," he said. "You control death, you control life, you control your environment and you decide when to die."

The bombers have typically been devout single men from poor backgrounds, in their early 20s, who have experienced a personal loss or traumatic humiliation at the hands of the Israelis, doctors say. Though such experiences are common here, they seem to have pushed some youths to extremes.

"There's a process of brainwashing," Dr. Sarraj said. "You live in a semi-mythical state. You become so overwhelmed with one idea that you completely isolate yourself from the rest of the world. You have to conform to the group, and within it you find a new identity."

ISRAEL: 2,200 West Bank Units

Continued from Page 1

crisis over the issue and instead to get on with negotiations to extend his Gaza-based self-rule to the more desirable West Bank, still almost entirely under Israeli control.

But he is under pressure from West Bank Arabs to take a tougher line. To them, their land is disappearing under Israeli bulldozers, and that is the core of the conflict.

In recent weeks, they have become assertive about staking out territorial claims, and so have Israeli settlers, who see themselves as fulfilling a historic Jewish destiny, especially in Jerusalem and its environs.

RUSSIA: Chechen Capital Pounded by Rocket Fire

Continued from Page 1

optimistic assessments by senior Russian officials.

The Chechens, who declared their independence from Moscow in 1991, remain the masters of most of the capital of Grozny south of the Sunzha River, amounting to at least a third of the city. It was that area that came under the most intense bombardment on Wednesday.

Mr. Yeltsin on Wednesday convened his Security Council, the body that has guided most government decisions during the six-week Chechen crisis.

Oleg Lohov, the council secre-



A Simpson attorney, Johnnie Cochran, delivering his opening statement Wednesday.

TRIAL: Defense Opens

Confirmed from Page 1
able, saying this was "not exactly true." He acknowledged that Mr. Simpson had pleaded no contest to spousal battery in 1989 but said he had "paid his debt" and that there was "no evidence that he had again hurt his wife."

Prosecutors had opened their case Tuesday by first seeking to undercut Mr. Simpson's public image as an affable and non-threatening celebrity and then hammering home to jurors the evidence they said linked him to the murders.

Deputy District Attorney Christopher Darden first offered a motive, the rage of an abusive and obsessively jealous former husband.

"He killed Nicole for a single reason," he told the court. "He killed her because he couldn't have her, and if he couldn't have her, he didn't want anyone else to."

Then the lead prosecutor, Marcia Clark, outlined in vivid detail what she called "devastating proof" that the former football star and actor had brutally killed the victims and then left a trail of blood that led directly to his own bedroom.

After showing jurors color photographs of the blood-soaked bodies of Mrs. Simpson and Mr. Goldman, Ms. Clark said that "over and over again," genetic testing of the blood pointed to the conclusion that Mr. Simpson committed the murders.

She also disclosed for the first time that blood found on a pair of socks in Mr. Simpson's bedroom matched the blood of the victims.

As Mr. Simpson watched intently, occasionally shaking his head in apparent disbelief, Ms. Clark disclosed for the first time that a bloody glove found by police detectives at his home shortly after the killings had not only blood and hair follicles that genetically matched those of Nicole Simpson and Mr. Goldman, but also fibers from Mr. Goldman's shirt and from Mr. Simpson's car.

Anticipating defense challenges to how the police collected the blood evidence, Ms. Clark said sloppy handling might, in some cases, lead to faulty test results.

But, she said, the prosecution had tried to determine from all the tests whether Mr. Simpson could possibly be excluded, and might, in some cases, lead to faulty test results.

The judge, Lance A. Ito abruptly cut off the audio and television coverage of the trial to continue after accepting a cable network's apology for accidentally broadcasting the face of an alternate juror.

Judge Lance A. Ito abruptly

cut off the audio and television

broadcasts Tuesday after being

told that one of the alternate

jurors leaned forward and into

the view of the television cam-

era broadcasting the court pro-

ceedings to a national audience.

The juror's face was on camera

for less than a second.

But on Wednesday, the judge

said: "The court has had the

benefit of a night's sleep on the

issue. I find there was no bad

faulty test results."

Court TV, the cable network

operating the pool camera, said

it "deeply regretted" the inci-

dent.

The judge's decision to pull

the plug had come at the con-

clusion of the prosecution's

opening statement. (AP, WP)

Republicans Are Unimpressed

Congress's Majority Sees a False Conservative

By Robin Toner
New York Times Service

WASHINGTON — Republicans portrayed President Bill Clinton after his State of the Union speech as a reluctant convert to the cause of a smaller, cheaper government more attuned to the needs of the middle class.

Casting themselves as the authentic agents of change, the Republicans also suggested that Mr. Clinton's actions would not match his conservative words.

"While at times tonight some of the president's ideas sounded pretty Republican, the fact remains that he has been opposed to the balanced budget amendment, he proposed even more government spending and he imposed the biggest tax increase in American history," Governor Christine Todd Whitman of New Jersey said in remarks prepared for delivery on behalf of her party.

She referred to the 1993 budget package, which raised income tax rates for the upper two months, Mr. Deng had played no significant role in the leadership of the country.

They said that although poor health had forced Mr. Deng to withdraw from day-to-day leadership several months ago, he had still been able to issue occasional edicts on policy matters such as the future of Hong

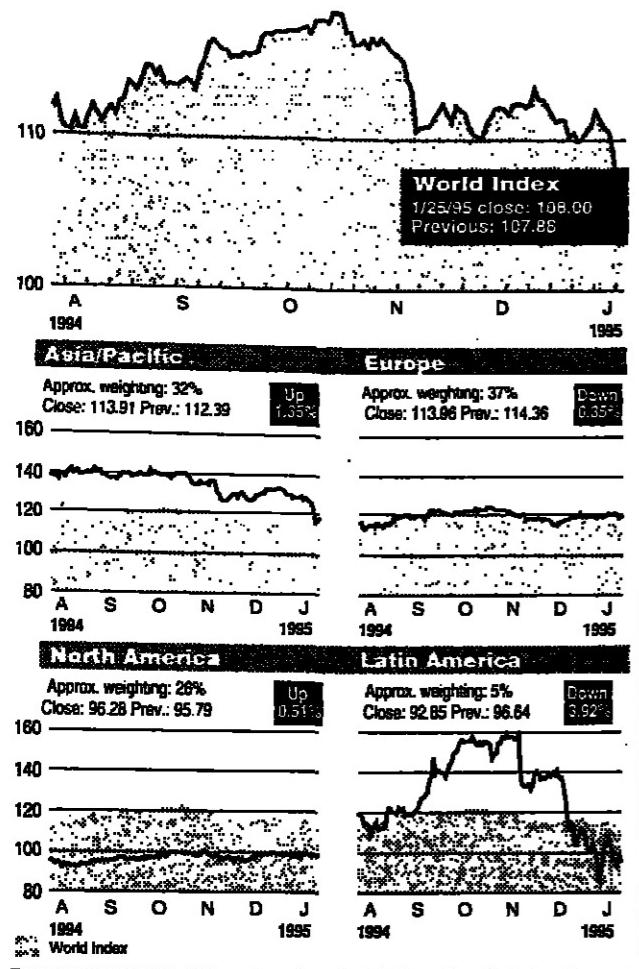
BUSH BUSINESS

International Herald Tribune, Thursday, January 26, 1995

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THE TRIB INDEX: 108.00 Up 0.11%
 International Herald Tribune World Stock Index ©, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.
 120



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. For Tokyo, New York and London, the index is composed of the top 20 issues in terms of market capitalization, otherwise the top 100 stocks are tracked.

Industrial Sectors							
	Wed. close	Prev. close	% change	Wed. close	Prev. close		
Energy	113.37	113.42	-0.04	Capital Goods	110.09	105.75	+4.10
Utilities	115.88	115.79	+0.08	Raw Materials	133.32	132.79	+0.40
Finance	104.54	103.07	+1.43	Consumer Goods	101.07	99.75	+1.32
Services	107.20	106.15	+0.99	Miscellaneous	112.21	110.97	+1.12

For more information about the index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92251 Neuilly Cedex, France.

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Compaq Says Net Rose 61%

But Stock Drops As Big Inventory Weakens Outlook

Compiled by Our Staff From Dispatches

HOUSTON — Compaq Computer Corp. said Wednesday its fourth-quarter profit surged 61 percent on a 48 percent jump in sales, capping a record year that saw the company emerge as the world's biggest seller of personal computers.

But the rapid growth came at a price. The company said it was left with inventory worth \$2 billion, twice its year-earlier level, and forecast a flat performance for the first quarter.

The results sent Compaq's shares plunging on the New York Stock Exchange. Compaq was the most actively traded issue, falling \$5.00, to \$37.375.

Earnings for the latest three months were \$243 million, up from \$151 million in the fourth quarter of 1993. Sales rose to \$2.5 billion from \$2.2 billion.

"These results reflect an excellent fourth quarter and outstanding year for Compaq," said Eckhard Pfeiffer, president and chief executive officer.

The results came a day after Dataquest Inc., a San Jose, California, market-research firm, reported that Compaq had passed International Business Machines Corp. and Apple Computer Inc. last year to become the world's largest PC marketer. Compaq's share of the world market rose to 10.3 percent from 8.1 percent.

But analysts have been worried for more than six months about the company's inventory levels. A high inventory diminishes the speed with which a company can shift to new models, which happens once or twice a year in the PC business. That can hurt profits, as computer makers typically make the

gains are partly due to restructuring charges that had depressed 1993 results.

Philip Morris, the world's largest tobacco company, said sales volume in tobacco products grew 15 percent last year, while shipments of its best-selling Marlboro brand cigarettes rose 14 percent. Both increases were company records and well ahead of the industry.

The company's food and beer businesses, which include

Quake's Cost: Two Views Bank of Japan and Keidanren Chief Differ

Compiled by Our Staff From Dispatches

TOKYO — Japan's central bank governor and the chairman of the country's leading business group appeared divided Wednesday over the impact last week's earthquake will have on the Japanese economic recovery.

"I don't think the energy of the quake will be weakened by the quake," Bank of Japan Governor Yasuo Matsushita said.

Mr. Matsushita said reconstruction demand in the Kobe area would support medium- to long-term growth, although there would be a short-term negative impact because output and transport in the area would remain stagnant for now.

The governor said the central bank was ready to provide ample liquidity to affected financial institutions to meet the needs of companies and individuals who must rebuild to ensure the stability of Japan's financial system.

But Shoichiro Toyoda, chairman of the Japan Federation of Economic Organizations, or Keidanren, said the quake would slow the pace of recovery.

"The recovery will likely be delayed," said the Keidanren chairman, who is also chairman of Toyota Motor Corp. "We want as quickly as possible to do what has to be done to support the economy."

Mr. Toyoda, who held a separate news conference, said he expected total damage to

exceed estimates of between 3 trillion yen and 4 trillion yen (\$30 billion and \$40 billion) made by various research institutes.

But he said it would take time before the full extent of the damage could be known.

The central bank has yet to come up with its own estimate for quake damages, Mr. Matsushita said. But he said there was no doubt the quake was affecting economic activities, not only of the stricken area but of other regions.

Mr. Matsushita said prices of goods had remained stable in the wake of the disaster and the trend was likely to continue.

He noted that the economy had ample production capacity by now to supply materials needed for reconstruction work in the Kobe-Osaka area.

He added the central bank thought the chances were small that reconstruction demand would create upward pressure on prices in the future.

But he cautioned that because of the destruction of crucial transportation facilities in the Kansai area, prices on some materials or products may increase. He added that the Bank of Japan would remain vigilant for any signs of inflation.

Mr. Toyoda said the Japanese government should take appropriate measures to help rebuild areas hit by the earthquake and to limit a possible decline in the economy.

(AFP, Bloomberg, Reuters)

Air France Halts Orders for Jets To Cut Deficit

Compiled by Our Staff From Dispatches

PARIS — Air France said Wednesday it had canceled all orders and options for new aircraft — 17 Boeing Co. and Airbus Industrie jets — as part of its effort to wipe out its deficit.

Air France had placed firm orders for seven Airbus A-340s and 10 Boeing aircraft, with seven of the jets scheduled for delivery this year.

Christian Blanc, chairman of the state-owned airline, also said the carrier would post a loss of 3.0 billion to 3.5 billion French francs (\$574 million to \$669 million) for the 15-month period to Dec. 31, 1995.

Air France had a loss of 8 billion francs in 1993.

Mr. Blanc said canceling the aircraft orders and other measures, including cutting 2,000 employees, would cut production costs by 12 percent this year, after a 7 percent decline in costs in 1994.

"Not only shall we sell some of our planes, but we also decided several days ago not to take up options on Airbus and Boeing," Mr. Blanc told the French daily *Le Monde*. "We have even canceled our plane orders."

He said that if the company succeeded with its financial restructuring it could start ordering aircraft again in two years.

Mr. Blanc confirmed that Air France was holding discussions with U.S. and Asian companies on possible alliances. But he added that "we are not in a hurry."

The airline declined to comment on a report that it was in talks with AMR Corp.'s American Airlines and Japan Air Lines Co.

"To create an alliance, you have to exist and give yourself the possibility to assure the continuity of the company," Mr. Blanc said. "That was our single preoccupation in 1994."

The French carrier also is ne-

Gain in Traffic Brings Profit For Lufthansa

AFP-Exel News

FRANKFURT — Lufthansa AG said Wednesday that increased passenger traffic had helped it returned to profit in 1994 after posting a loss of 111 million Deutsche marks (\$73 million) in 1993.

"Provisional results show that the group at least broke even in the fourth quarter," the airline said, adding that it was "certain" to post a profit for the full year.

In the first nine months of 1994, Lufthansa had a profit of 325 million DM.

Lufthansa said it carried 5.8 percent more passengers last year than in 1993, while the volume of cargo rose 13.6 percent. The airline's load factor, or use of its capacity, rose 2.1 percentage points, to 70.8 percent.

Philip Morris Reports Banner Year

Compiled by Our Staff From Dispatches

NEW YORK — Philip Morris Companies Inc. said Wednesday that its profit tripled in the fourth quarter and climbed 53 percent for the year, making 1994 one of the tobacco and food conglomerate's best years ever.

The gains were partly due to restructuring charges that had depressed 1993 results.

Philip Morris, the world's largest tobacco company, said sales volume in tobacco products grew 15 percent last year, while shipments of its best-selling Marlboro brand cigarettes rose 14 percent. Both increases were company records and well ahead of the industry.

The company's food and beer businesses, which include

brand names such as Kraft, Jell-O, Oscar Mayer, Maxwell House and Miller, also showed improvement.

"We delivered some of the best results in our history and emerged from the year sound, strong and growing," said Philip Morris' chief executive, Geoffrey Bible. "Heading into 1995, our worldwide tobacco business is booming, food continues to perform well in key categories and markets, and beer is benefiting from the success of new products."

The yearly per-share earnings matched a record set in 1992, the year before the company cut cigarette prices and triggered a profit-sapping price war. Revenue for 1994 rose 6.9 percent to \$65.1 billion.

Philip Morris shares advanced 12 cents to close at \$58.375 on the New York Stock Exchange. (AP, Bloomberg)

INTERNATIONAL MANAGER

Replacement Workers Growing Roots

By Peter T. Kilborn
New York Times Service

DECATUR, Illinois — The oven of industry are burning with gusto in this old prairie city's east end, where factories abut dormant black cornfields and the asphalt skirts of auto body shops and bowling alleys.

Day and night, the A.E. Staley corn-milling plant belches plumes of smoke that dust the downtown with a scent as sweet and thick as a bakery's.

A few blocks up 22nd Street from Staley, the two-story brick plant of one of the world's largest tire and rubber companies, Bridgestone Corp. of Tokyo, is also operating, as is the huge plant owned by Caterpillar Inc., the maker of earth-moving equipment, a little farther up the road.

These are three of Decatur's largest employers. All are embroiled in their longest labor disputes ever, and all are running, although most of their 4,000 unionized workers are on the street.

All of this has made this city of 85,000 a metaphor for the trauma faced by American labor unions — to which just one of every eight private-industry workers now belong, less than half the level of 20 years ago.

Labor and management are dug in deep in Decatur. Management, blaming competitive pressures, has been mowing down labor costs — holding down wages, cutting benefits and staff, keeping machinery running 24 hours a day.

Labor has given up hope of reversing losses. But more emphatically, it is trying to halt its slide toward irrelevance.

The issue for unions across the United States is not what they can win for workers, but what previous gains they keep.

the U.S. Bureau of Labor Statistics says, 707 contracts covering 3.4 million employees of large public and private concerns are up for renegotiation this year — the highest number of workers in the 11 years in which the bureau has kept track of such figures.

Robert Reich, the U.S. secretary of labor, says these negotiations could spur an incipient trend of labor-management collaboration, with both sides seeing something to gain from an employer's success.

In strike-bound Decatur, at least, there's no sign of any such amity.

These work stoppages represent three

examples of employer aggressiveness in bargaining that we didn't see 15 years ago," said Peter Feuille, director of the Institute of Labor and Industrial Relations at the University of Illinois.

Staley, citing sabotage and vandalism after imposing 12-hour shifts, locked its people out in June 1993 and brought in temporary replacements.

Caterpillar's workers struck in June 1994, accusing management of anti-union harassment. They, too, have been temporarily replaced.

Bridgestone's employees struck in July rather than accept a contract with shift changes, benefit cuts and lower wages than Goodyear workers have won. Although the government this month goaded Bridgestone and Caterpillar to talk with their unions, Bridgestone says that, settlement or not, 650 of its 1,200 strikers here have been permanently replaced.

The Decatur plants, Mr. Feuille said, "are willing to tolerate a great deal of labor-management strife in exchange for a more advantageous contract, so you end up with three very long-running disputes that don't seem to have any end in sight."

The companies' regular workers here are nearly all men 45 to 60 years old who earned \$30,000 to more than \$60,000 a year. Some are collecting only \$60 a week in union strike benefits. Most seem to be getting by on part-time work supplemented by charitable contributions and donations from unions elsewhere.

But they say they will pay the price of staying out to defend their wages, job security.

See WOES, Page 11

Habitat II is a major endeavour to improve the environment we live in — by sharing and learning from practices that have resulted in a clear improvement in the quality of life and living environments of people in a sustainable way.

The United Nations Centre for Human Settlements (UNCHS) and Dubai Municipality are organizing the above international conference on Best Practices in order to enable governments, municipalities, non-governmental organizations, urban institutions and the private sector to share their experiences and learn from each others' successes.

World renowned speakers and experts will present a range of Best Practices from both developed and developing countries and address issues such as urban development, productive employment, environmental management, gender and development and housing to name a few.

Participants will have the opportunity to discuss and analyse methods and processes — why they work, and how they might be transferred and adapted.

Interested in participating? We welcome your enquiries and look forward to your being there.

The Dubai International Conference is a milestone to the Habitat II City Summit scheduled to be held in Istanbul, Turkey in June 1996.

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A typical profile of who will participate...

- Policy makers
- City officials
- Urban planners
- Local government
- Private corporations
- Design/Construction professionals
- Surveyors
- Environmentalists
- Ecologists
- Economists
- Health specialists
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Greenspan's Hints Bolster Dollar

Bloomberg Business News

NEW YORK — The dollar rose against the Deutsche mark and some other major currencies Wednesday after comments from Federal Reserve Chairman Alan Greenspan bolstered speculation that Federal

Foreign Exchange

Reserve policymakers would raise interest rates when they meet next week.

Mr. Greenspan's strong support for President Bill Clinton's proposed \$40 billion in loan guarantees for Mexico also helped the dollar gain, traders said. The guarantees, which must be approved by Congress, would ease Mexico's financial crisis and take pressure off other North American markets, they said.

The dollar closed at 1.5176 DM, up from 1.5128 DM on Tuesday. It slipped to 99.525 yen from 99.810 yen.

"The dollar found support because Greenspan is still talking a tough line on U.S. interest rates," said Frank Pusateri, currency dealer at Mellon Bank in Pittsburgh.

COMPAQ: Net Up, Stock Down

Continued from Page 9

most money from machines at the start of their product cycle.

A high inventory contributed to IBM's problems in the personal-computer business last year. IBM said this week that

U.S. Stocks

the restructuring of its PC business would not be complete until summer.

Mr. Pfeiffer said Compaq's first-quarter performance would be "relatively flat" compared with a year earlier.

For the full year, Compaq earned \$867 million, nearly doubling the \$462 million profit reported for 1993. Sales for the year rose to \$10.87 billion from \$7.19 billion.

"People are worried that demand isn't what they thought it was," Jon van Bronkhorst, an analyst at the brokerage concern Robertson Stephens, said of the drop in Compaq's stock.

But he and other analysts said that impression may not be accurate.

"This is all an overreaction," said Andy Neff, an analyst with Bear Stearns & Co. "The company is in one of its strongest

After initial weakness in Europe, the dollar rebounded from an 11-week low against the mark after Mr. Greenspan said there was "reason for concern" that inflation would accelerate.

The dollar had slumped early in the session amid concern that the U.S. Congress would reject Mr. Clinton's Mexican aid package and that Mexico's problems might prevent the Federal Reserve Open Market Committee from raising interest rates.

The last six rate increases over the course of the last year hurt Mexican markets in part by prompting many U.S. investors to bring money home.

Many traders became more optimistic about U.S. help for Mexico after Mr. Greenspan said in congressional testimony that delaying approval of the loan guarantees raised the risk that Mexico's financial crisis might spread to other countries.

Against other currencies, the dollar was quoted at 1.2773 Swiss francs, up from 1.2713 francs Tuesday, and at 5.2485 French francs, up from 5.2340 francs. The pound slipped to \$1.5915 from \$1.5940.

The Dow

Daily closings of the Dow Jones Industrial average

4000

3900

3800

3700

3600

3500

3400

3300

3200

3100

3000

2900

2800

2700

2600

2500

2400

2300

2200

2100

2000

1900

1800

1700

1600

1500

1400

1300

1200

1100

1000

900

800

700

600

500

400

300

200

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Pechiney Signals Major Asset Sales

Compiled by Our Staff From Dispatches

PARIS — Pechiney SA said Wednesday it would divest itself of assets worth 10 billion francs (\$2 billion) and use the proceeds to pare what its chairman called "excessive" debts.

It was not clear what the

state-controlled aluminum and packaging company's current debt level was, but Jean-Pierre Rodier was quoted by a French business newspaper in October as saying it was then about 20 billion francs.

Mr. Rodier did say Wednesday that Pechiney was conducting a review to decide which assets to sell, and he added, "It's obvious, however, that we will keep a strong presence in aluminum and another in packaging."

He said the company was trying to cut debt to gain the means to exploit investment opportunities in its existing sectors.

He said it was Pechiney's aim to be in a position to be privatized by the end of 1995. Although the company's investment certificates are publicly traded, more than 80 percent of the voting power is controlled by the French government.

The nonvoting certificates rose 2.2 francs to 382.2 on the Paris Bourse, while shares in the company's 67 percent-controlled Pechiney International SA fell 2.9, to 145.9.

Mr. Rodier also took direct control of the company's packaging division, including the chairmanship of its U.S. unit American National Can Co.

The packaging division, which accounts for nearly 50 percent of total revenue, will be grouped into two sectors, a beverage division that will include the global metal can business, and a division covering packaging for the food and cosmetics division and for health care.

Mr. Rodier ruled out diversification outside of the company's core packaging and aluminum operations.

(AFX, Reuters, Bloomberg, Knight-Ridder)

J. Sainsbury To Buy Firm From Ladbroke

Compiled by Our Staff From Dispatches

LONDON — The supermarket chain J. Sainsbury it would acquire Texas Home-care Ltd., a home-improvement retail chain, from Ladbroke Group PLC for £290 million (\$461 million).

Ladbroke, which owns Hilton International Co. and betting shops throughout Britain, said it had decided to sell Texas Home-care after a strategic review of the group's activities that also resulted in a decision to cut 900 jobs.

Texas Home-care's 240 shops recorded operating profit of £2.1 million over the first six months of 1994 on sales of £340.8 million.

Separately, shares in the British retail bank TSB Group PLC rose 17 pence to 249 on rumors that TSB might be the subject of a takeover bid. Among the suitors being mentioned, analysts said, were Abbey National PLC, Barclays PLC and Banque Nationale de Paris.

(AFX, Reuters, Bloomberg)

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(AFX, Reuters, Bloomberg, Knight-Ridder)

U.S. Films: Friend or Foe?

France TV and Time Warner to Cooperate

Compiled by Our Staff From Dispatches

PARIS — France Television, the state-owned company, gave a new twist to the defense of French and European film culture Wednesday by announcing a cooperation agreement with Time Warner Inc.

The French government has been a vocal advocate of quotas and restrictions aimed at limiting the dominance of U.S. entertainment industries in Europe.

But the France Television-Time Warner accord was the latest in a series of French-American deals indicating that top executives in the industry see cooperation, rather than confrontation, as the best option.

The agreement was intended to strengthen the two companies' strategies in the market for the audiovisual industries and to bring together their areas of expertise, France Television said.

Signed in New York last week, the agreement calls for co-productions by the two companies. It also gives France Television, which operates two nationwide television channels, special access to Time Warner mu-

sic and programs and envisions joint development of new television services.

The agreement was seen as providing Time Warner, a leading world communications and music company, with a strong partner in Europe. France Television said the deal was part of its strategy of "international development" by means of "many alliances" to increase its influence and to enable it to "promote French film production throughout the world."

France Television also wanted to tackle problems posed by the development of international multimedia groups in Europe through cooperation and understanding, the statement said.

But it also said it wanted to ensure respect for the rules of protection and promotion of the European television programs.

Under the new agreement, covering co-production, the acquisition of rights and the development of advanced television, 60 percent of the content of the music program would be French, France Television said.

(AFP, AP)

Nestlé Says Profit Rose as Sales Fell

Compiled by Our Staff From Dispatches

VEVEY, Switzerland — Nestlé SA said Wednesday that its sales slipped about 1 percent last year but that profit rose and should show further growth this year.

The food and beverage conglomerate said sales in 1994 totaled \$4.7 billion, down from \$5.5 billion francs in 1993 because of unfavorable currency fluctuations and a change in the reporting system in Brazil.

Nestlé said sales volume grew 2.3 percent.

"Sales volume experienced strong growth in Latin America and particularly in Asia, while volumes progressed slightly in

North America and in Europe," Nestlé said.

Analysts said the sales figures matched their expectations and that the company's earnings should be lifted by cost-cutting efforts and higher profit margins.

"I don't think investors will be disappointed with Nestlé's 1994 net and operating profit," said Sylvain Massot, a food analyst at Morgan Stanley & Co. "The discontinuation of lines which were losing money hurts sales, but it will mean higher profit and quality volume growth."

But investors were unimpressed with the earnings prediction, sending Nestlé's shares

down 1 percent in Zurich, to 1,162 francs.

The company will report its 1994 profit and dividend March 24. (Bloomberg, AP, Reuters)

LVMH Sales Jump 17%

VEVÉY, Switzerland — LVMH Moët Hennessy Louis Vuitton SA said a recovery in champagne demand helped 1994 sales rise 17 percent, to 2.71 billion French francs (\$35.35 billion), The Associated Press reported from Paris.

The luxury goods company said its net profit for 1994 would be more than 20 percent higher than the 3.6 billion francs posted in 1993. LVMH will release definitive results for the year March 23.

EU Seeks To Spread PTT Costs

By Tom Buerkle
International Herald Tribune

BRUSSELS — The European Commission proposed Wednesday that new entrants to Europe's telephone market contribute to a fund to help existing monopolies maintain service to economically marginal regions and customers.

The proposal seeks to ensure that the 1998 opening of Europe's \$150 billion telecommunications market not lead to a split between haves and have-nots, with new competition directed solely at large urban areas.

The idea for a fund follows an American model and eschews the British practice of financing so-called universal service through separate access charges, which competitors say are difficult to determine and have given British Telecommunications PLC an unfair advantage.

"We think it's a step forward," said Macv Sullivan, director of strategy at Mercury Communications PLC, Britain's No. 2 phone company.

Mercury will pay an estimated £60 million (\$96 million) in access charges to British Telecommunications in the year ending March 31, but it says there is no way to verify whether that is a fair price. British Telecommunications says it loses £1.45 billion a year by maintaining phone lines to every corner of Britain, but the regulatory agency Ofcom estimates the cost of providing universal service at just £70 to £140 million.

Harry Elhardt, director of EU affairs for AT&T Corp., said the concept was workable, but that any fund had to allow for changes in contributions as companies' market shares shift.

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
2300	3300	2100
2200	3200	2000
2100	3100	1900
2000	3000	1800
1900	2900	1700
1800	2800	1600
1700	2700	1500
1600	2600	1400
1500	2500	1300
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1200	2200	1000
1100	2100	900
1000	2000	800
900	1900	700
800	1800	600
700	1700	500
600	1600	400
500	1500	300
400	1400	200
300	1300	100
200	1200	80
100	1100	60
0	1000	50

Exchange Index Wednesday Prev. Close Close Change

Amsterdam AEX 407.09 407.52 -0.11

Brussels Stock Index 7,060.58 7,062.45 -0.03

Frankfurt DAX 2,026.34 2,018.04 +0.44

Frankfurt FAZ 761.38 758.90 +0.33

Helsinki HEX 1,831.21 1,831.12 Unch.

London Financial Times 30 2,251.60 2,252.20 -0.03

London FTSE 100 2,982.20 2,988.00 +0.44

Madrid General Index 278.45 275.88 +1.30

Milan MIPTEL 1,058.92 1,070.00 +1.25

Paris CAC 40 1,802.46 1,780.17 +1.25

Stockholm SX 16 1,577.57 1,586.22 -0.55

Vienna ATC Index 986.71 981.49 +0.53

Zurich SBS 883.24 886.88 -0.41

Sources: Reuters, AFP

International Herald Tribune

Very briefly:

• Avion de Transport Régional, the French-Italian maker of commuter aircraft, said sales edged up to 3.8 billion French francs (\$727 million) last year from 3.7 billion francs in 1993 and said it would post a profit for 1994.

• France will sell shares in the tobacco monopoly Société d'Exploitation Industrielle des Tabacs & des Allumettes for between 125 francs and 135 francs a share, valuing the company at 6.5 billion to 7.0 billion francs.

• Caisse Centrale des Assurances Mutualistes Agro-Industrielles has launched an \$83 million (\$132 million) takeover bid for Lombard Insurance Group PLC.

• Bouygues SA said it expected to post a 22 percent increase in profit for 1994, to 570 million French francs.

• Gesamtmetall, a German employers' association, said a "moderate" pay raise for the country's 3.6 million metalworkers was possible if workers agreed to allow changes in working conditions in exchange for postponing layoffs.

• Spain plans to sell its holdings in Telefónica de España SA and Repsol SA this year "if market conditions permit," Alfredo Pastor, Spain's secretary of state for the economy, said.

AFP, Reuters, AFX, Bloomberg

WOES: Specter of Permanent Replacements Haunts U.S. Labor Unions

Continued from Page 9

uity and eight-hour days with weekends free.

"Push comes to shove, and I'm not going any further," said Tom Jordan, 45, a Caterpillar machinist for 21 years and a member of the United Automobile Workers union.

Fred Quick, 57, an inspector who has worked for Caterpillar for 26 years, said, "It's about respect, and a little dignity along with that."

The issue for unions in Decatur and across the country is not how much more they can win for workers, but which of their old gains they can keep. With Congress in the grip of Republican lawmakers whom unions tried to defeat, the current issue of the AFL-CIO News, an organized-labor publication, concedes, "Labor's congressional goals and strategy will take on a distinctively defensive posture."

Industry, by contrast, is in the strongest position in years to argue for a strike-free, less regulat-

ed economy. Like most of American industry until the 1980s, Staley, Bridgestone and Caterpillar could grant regular wage increases to workers and add their costs to the prices they charged customers.

But with the erosion of trade barriers, the companies say they must work in a global economy and vie with competitors, foreign and domestic, whose costs are lower. They want fewer workers, and they want to use them more efficiently — days, nights and weekends — so that they never need to stop production.

To block such demands, unions once had a deadly weapon.

Since the late 1970s, however, more job-seekers have been willing to cross picket lines. And since the 1980s, more companies have been willing to deploy a mightier weapon than the strike — the permanent replacement worker.

As a result, unions now try to avoid strikes. The number of strikes against companies em-

ploying 1,000 or more workers plunged from hundreds a year in the 1940s through the 1970s to fewer than 50 a year in the 1990s, the U.S. Bureau of Labor Statistics says.

"Strikes don't work," said David Watts, president of Staley's paperworkers' union, Local 7837. "You can't win out there with a picket sign."

The specter of permanent replacements figures in all three disputes in Decatur. Since companies can permanently replace workers only when disputes involve economic issues such as wages and benefits, Staley and Caterpillar workers have emphasized noneconomic issues, such as union rights and working conditions.

By contrast, the rubber workers' strike against Bridgestone involves wages and benefits. On Jan. 4, management attempted to scare the union back to the bargaining table by declaring that about half of the company's 4,000 union members had been permanently replaced.

Management could be bluff-

CURRENCY AND CAPITAL MARKET SERVICES

High Bids in Hong Kong Property's Auction Price Exceeds Forecasts

Reuters
HONG KONG — Hong Kong's suffering property and stock markets got a boost Wednesday when a government land auction delivered better-than-expected results.

But analysts and developers were hesitant over whether the market was truly recovering from its recent doldrums, set off last year when rising U.S. interest rates stifled a boom in real estate prices.

The auction spotlight was on a small residential plot in Shatin in the New Territories, which had been widely seen as a test of the appetites of developers who have recently slashed apartment prices to attract buyers.

The Shatin site was sold to a

private developer, Hang Tung Resources Holding Ltd., for 171 million Hong Kong dollars (\$22 million), exceeding forecasts ranging from 152 million dollars to 168 million dollars.

"Indications have been in recent months that the residential market was flagging," said Tim Mills, the sale's auctioneer. "But I think today's results show that, certainly in Shatin, there is strength in that residential market."

Hong Kong stocks, which so far have not had their traditional pre-Lunar New Year rally, jumped on the auction news. The blue chip Hang Seng index gained 217.82 points, or 3.10 percent, to 7,240.72.

"People had been expecting

really poor results," said Christina Cheung, a director at South China Brokerage. "So when they turned out not so bad, there was some upward momentum."

The government withdrew one of the three plots slated to be auctioned Wednesday, which had been earmarked for light commercial use. Analysis said the remote site, near the Chinese border, held little interest because of its distance from rail links.

A third industrial site, at Ap Lei Chau near Aberdeen on Hong Kong Island, was sold for 230 million dollars to a unit of the Hong Kong property developer Palitburg International Holdings Ltd. The site went for the opening bid.

"The deal is expected to provide cash to Smart, a subsidiary of Hong Kong's First Pacific Co., for capital investments.

"This will provide NTT with a real competitive environment and a testing ground for their technology in mobile communications," said Richard May, an analyst at WestLB in Tokyo. "From the Philippines, it won't be a big leap for them to move to the U.S. and Europe."

"Margins are being squeezed as rates rise," said Herbert Hui, a banking analyst at the brokerage Barclays de Zoete Wedd. "We will see the same story for all the small banks."

After-tax profit and transfers to inner reserves painted a brighter picture. Those earnings rose 39 percent, to 1.39 billion dollars.

But given the sluggish growth in earnings from lending and a drop in income from other businesses such as stockbroking, analysts weren't impressed.

Bank's Earnings 'Disappointing'

Bloomberg Business News
HONG KONG — Bank of East Asia Ltd. said Wednesday that earnings from its main banking business rose a smaller-than-expected 8.2 percent last year, as rising interest rates and the property-market slump took their toll.

The bank earned 1.41 billion Hong Kong dollars (\$182 million) in 1994, after charges for bad debts. The earnings, up from 1.31 billion dollars in 1993, fell short of the 13 percent growth analysts had expected.

INTERNATIONAL RECRUITMENT

Page 5 FOR MORE INTL. RECRUITMENT

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NTT Plans Philippine Investment

Bloomberg Business News

TOKYO — Nippon Telegraph & Telephone Corp. said Wednesday it would buy 12 percent of Smart Communications Inc. of the Philippines for \$123 million, creating a partnership to compete in that country's newly liberalized telecommunications industry.

The deal is expected to provide cash to Smart, a subsidiary of Hong Kong's First Pacific Co., for capital investments.

"This will provide NTT with a real competitive environment and a testing ground for their technology in mobile communications," said Richard May, an analyst at WestLB in Tokyo.

"From the Philippines, it won't be a big leap for them to move to the U.S. and Europe."

Hyundai to Sell And Combine Units

Compiled by Our Staff From Dispatches

SEOUL — Hyundai Corp., South Korea's huge conglomerate, said Wednesday it would reduce the number of its subsidiaries through spin-offs and mergers to enhance its international competitiveness.

Analysts said the announcement was partly aimed at the South Korean government, which has been reluctant to grant Hyundai permission for various plans or loans since 1993. Relations between the government and the Hyundai group deteriorated when Chung Ju Young, the group's founder, ran for the presidency against President Kim Young Sam in 1992.

Mr. Chung said he and his family, who are majority shareholders in the Hyundai companies, would reduce their holdings to 40 percent by 1997 from the current 60.7 percent.

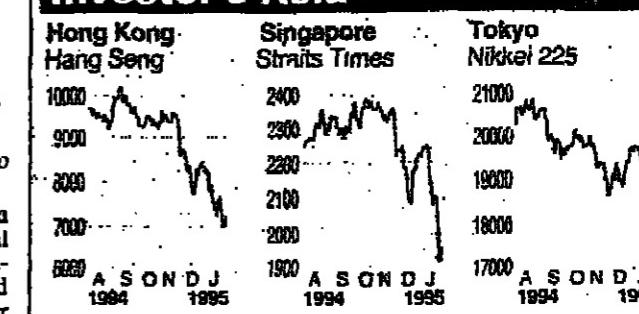
The revamp is designed to beef up our competitiveness and efficiency in the face of a new global trade order under the World Trade Organization," said Lee Suk Young, a Hyundai spokesman.

Kangwon Bank and five other Hyundai companies had been designated for sale by the end of this year. Hyundai will also give up controlling stakes in 10 companies, including Hyundai Marine & Fire Insurance Co. and Aluminium of Korea Ltd., by the end of next year.

(Knight-Ridder)

APB, Reuters Bloomberg

Investor's Asia



Source: Reuters, AFP

International Herald Tribune

Very briefly:

• Taiwan's economic growth rate rose to 6.42 percent last year from 6.32 percent in 1993, according to preliminary figures, as the country exported a record amount of goods.

• Taiwan's gold dealers might take advantage of a relaxation in regulations to begin trading 24 hours a day March 1, in a move analysts said could double the country's gold trading volume.

• Tokyo's rate of office-building occupancy rose in December for the first time in four and a half years.

• Singapore Telecom Ltd. said it would set up a joint venture with three Asian counterparts — Telekom Malaysia Bhd., Philippine Long Distance Telephone Co. and PT Indosat of Indonesia — to provide telecommunications services to international companies.

• Matsushita Electric Works Ltd. said its group pretax earnings grew 10 percent, to 38.9 billion yen (\$390 million), in the year to November and forecast a further increase in the current year.

• Alcatel SEL AG, a German unit of Alcatel Alsthom SA of France, said it had won a contract to install a signal system for a subway system in Shenyang, China.

• Australia's consumer price index rose 0.8 percent in the fourth quarter, up from 0.6 percent in the third quarter.

(Reuters, AFP, Bloomberg)

China State Firms Lose Output Share

Compiled by Our Staff From Dispatches

BELJING — The share of industrial output coming from government-run enterprises slumped to 40 percent last year from 53 percent in 1993, an official from the State Statistical Bureau said Wednesday.

Qiu Xiaohua, the senior economist at the bureau, attributed the shrinkage to privatization and the growing number of joint ventures between state-run businesses and foreign companies.

Mr. Qiu also said tight credit, low interest rates and land speculation had contributed to a 74 percent surge in so-called triangular debts among Chinese companies.

(Reuters, AFP)

Tokyo May Delay JR West Listing Because of Quake

Reuters

TOKYO — The Transport Ministry may delay the listing of shares in West Japan Railway Co. because of the damage caused by the earthquake that struck Kobe on Jan. 17, an official said Wednesday.

West Japan Railway, known as JR West, operates a large railway network in western Honshu.

"When all damage and the timing of resumption of full operations in the damaged area become clear, we may need to review share listing plans for JR West," the official said.

The meetings in Washington on Thursday and Friday would be the first substantial negotiations on the issue since talks broke down in late September.

They follow the Jan. 11 summit meeting between President Bill Clinton and Prime Minister Tomio Murayama, which played down trade friction and stressed cooperation.

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Wednesday's 4 p.m.

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12 Month High Low Stock	Div	Yld	PE	100s	High	Low	Last	Chg
A								
18% 94 AADON	.12	12	44	134	134	134	134	-14
23% 154 ABC Bolt	.12	20	12	124	124	124	124	-12
11% 154 ABG Corp	.12	15	15	127	124	124	124	-12
22% 57 ACES Ent	.12	20	20	205	205	205	205	-15
21% 134 ADP Int'l	.12	23	125	125	125	125	125	-15
23% 154 AESCO Inc	.681	15	15	158	158	158	158	-15
10% 10 AST	.10	10	10	157	157	157	157	-15
25% 144 AT&T Corp	.12	15	15	154	154	154	154	-15
27% 15 15 AT&T Corp	.12	15	15	154	154	154	154	-15
16% 15 AT&T Corp	.12	15	15	154	154	154	154	-15
38% 15 Atco	.12	15	15	154	154	154	154	-15
24% 15 Atvatic	.12	15	15	154	154	154	154	-15
23% 15 Avia	.12	15	15	154	154	154	154	-15
18% 15 Aviva	.12	15	15	154	154	154	154	-15
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SPORTS

Ski Races Likely to Be Called Off

The Associated Press

SIERRA NEVADA, Spain — The World Alpine Championships of skiing will likely be called off Thursday, with warming temperatures having created even more problems for an event that has been put in doubt for weeks because of a paucity of snow.

Workers at this southern ski resort walked around Wednesday in shirt sleeves. Overnight temperatures had remained above freezing, and the forecast for the next few days called for warm weather, rendering nearly useless the resort's 100 snow-making machines.

Officials of the International Ski Federation promised a decision by Thursday afternoon.

Jeronimo Paez, head of the local organizing committee, said Wednesday it would be better to delay the event until next year rather than risk injuries. He said a postponement until March or April was out because the weather was not likely to improve.

"We don't want to interrupt a championship in the middle because of climatic conditions or an accident," Paez said.

Marc Hodler, president of FIS, said Tuesday night that even the federation was leaning toward a postponement.

The two-week championships have been scheduled to begin Monday, with more than 500 skiers competing. But FIS has told team officials to not begin shipping equipment, which usually takes several days.

FIS had decided earlier against shifting the races to another site because of logistics problems and a commitment to local organizers. Its secretary general, Gian Franco Kasper, said rescheduled championships would likely be set for February or March of 1996. But, he insisted, he remained optimistic that they would begin here Monday.

"Well, I'm optimistic with a headache," Paez said. "The race courses don't look as bad when you see them up close."

Hodler called the forecast for the next few days "very pessimistic."

Much of southern Spain is experiencing a severe drought that has placed residents on water-use restrictions. The postponement would be a blow to an area that has invested about \$1.2 billion in public and private money in the championships since they were awarded to Spain several years ago.

FIS was widely criticized for holding the 1993 championships in Morioka, Japan, where they were plagued by bad weather. But Hodler said there had been no second thoughts about choosing Sierra Nevada, another non-traditional site area.

"The resort is one of the absolute best as far as snow conditions are concerned," he said. "We had World Cup finals there with excellent snow. This is the first time in the last 100 years they haven't had snow."

Asked what might be done to prevent such situations, Hodler replied, "We are exposed to nature. Somebody has to make a big ski stadium with an 800-meter vertical drop, a big roof, and first-class refrigeration system."



Naoko Sawamatsu was pained but satisfied; Andre Agassi, with Yevgeni Kafelnikov, said "it was a good day at the office."



Naoko Sawamatsu was pained but satisfied; Andre Agassi, with Yevgeni Kafelnikov, said "it was a good day at the office."

Agassi and Krickstein Win, And It's an All-U.S. Show

Sánchez Vicario Facing Werdel Witmeyer

The Associated Press

MELBOURNE — Andre Agassi and Aaron Krickstein won their quarterfinal matches Wednesday, ensuring that an American will take home the men's title of the Australian Open singles title and the women's No. 1 ranking.

Agassi, the flamboyant No. 2 seed making his debut in this tournament, continued his relentless march by downing 10th-seeded Yevgeni Kafelnikov, 6-2, 7-5, 6-0, in just 83 minutes.

Krickstein then beat Jacco Eltingh of the Netherlands, 7-6 (7-3), 6-4, 5-7, 6-4, in a match between two unseeded players.

Krickstein will play Agassi in the semifinals, while defending champion Pete Sampras will face No. 5 seed Michael Chang.

It is only the second time in the open era of tennis that four Americans have reached the semifinals of a Grand Slam. The first was in 1979, with Vitas Gerulaitis, Roscoe Tanner, John McEnroe and Jimmy Connors in the U.S. Open semi-

finals. McEnroe beat Gerulaitis, 7-5, 6-3, 6-3, for the title.

Ana Sánchez Vicario ended the inspired run of Naoko Sawamatsu and is now two victories away from her first Australian Open singles title and the women's No. 1 ranking.

She beat the unseeded Japanese, 6-1, 6-3, and will next play another unseeded player, Marianne Werdel Witmeyer of the United States.

Agassi said he "hit the ball well, executed well. It was a good day at the office."

It was his fifth successive triumph without dropping a set, and the U.S. Open champion said he was delighted with the way he has been playing.

"I think quite honestly this has been incredible practice for me, more than anything," Agassi said. "To play three sets every other day is not taking a whole lot out of me."

"I feel like it's all gone well for me."

He had requested a daytime match with which to prepare

himself for the last two rounds.

"I feel good to be out there in the sun and get a little bit of a tan," he said. "I feel quite comfortable on all my shots right now. I feel like I'm serving exceptionally well and utilizing it."

He then spoke of Sampiras, who, because of the illness of his coach, Tim Gullikson, was in tears during his dramatic five-set quarterfinal victory over Jim Courier that ended early Wednesday morning.

"It's an extraordinary thing to see what Pete's managed to do," Agassi said. "He's an incredibly gifted person. He's a deep person as well, who is obviously feeling a lot of things and is going through a lot of things at the moment with Tim. I can certainly identify with that. Just to have him still in the tournament is an asset. It's inspiring you know."

Gullikson, who had two strokes late last year, has had to return home from the Australian Open after becoming ill and being hospitalized for tests.

Krickstein, who is ranked 45th in the world, advanced to a Grand Slam semifinal for the first time since the 1989 U.S. Open.

He used his clever baseline game to disarm the aggressive and fast-rushing Eltingh and said he was looking forward to facing Agassi, who has won four of their seven previous meetings.

"He's steamrolled everyone here, but I'll go out and give it my best," Krickstein said.

He said he was surprised by the all-American line-up.

"It's kind of exciting," he said. "I don't think anyone would have put money on it before the tournament but I'm glad to be one of the four."

Werdel Witmeyer, who had not made it past the third round in 29 previous Grand Slam tournaments, downed her former hitting partner, Angelica Gavaldon of Mexico, 6-1, 6-2.

Using her power from the back of the court to good effect, Werdel Witmeyer went for broke and repeatedly sent the ball whistling past her more conservative opponent. She hit 26 winners to just one by Gavaldon, who rarely ventured from the baseline.

The other women's semifinal will pit No. 2 seed Conchita Martínez against No. 4 seed Mary Pierce, both of whom won their quarterfinals on Tuesday.

Sawamatsu, ranked 26th in the world, made the last eight despite the trauma of her family's home being destroyed in last week's earthquake in Kobe. She had dedicated her victories to victims of the quake and said she would donate a percentage of her earnings to them.

"I'm very satisfied with my results," she said. "It was quite hard to concentrate due to the circumstances back home."

Sánchez Vicario, the French and U.S. Open champion, qualified for her 14th Grand Slam semifinal — at the age of just 23. She will take over the No. 1 ranking from the injured Steffi Graf if she wins the tournament.

Other Results

Men's Doubles, Quarterfinals

Peter Korda, Czech Republic, and Patrick McEnroe, U.S., def. Marcos Ondruska and Grant Stanford, South Africa, 6-3, 6-4, 6-7 (6-4), 6-3, 6-4, 6-2, 6-3.

Mark Woodforde, Australia, and Nestor, Canada, def. Rick Leach and Scott Nestor, Canada, 6-3, 6-4, 3-6, 4-6, 6-2.

Mixed Doubles, Quarterfinals

Cyril Shabani, Czech Republic, and Olga Savchenko, Russia, def. Mark Woodforde and Lisa Raymond (2), U.S., 6-3, 6-2; Grant Costello, Canada, and Lindsay Davenport (1), U.S., def. Ian Botham and Amanda Coetzer, South Africa, 6-4, 6-4, 6-1; Tom Hoadcock, Australia, and Linda Stansbie (4), Czech Republic, def. Jánoschek, Sohle, and Lotti McNeil (4), U.S., 6-2, 6-2.

Blanco, the Gift Spurned by Atlético Madrid, Is Saving Real

International Herald Tribune

LONDON — Perhaps only on the sporting field can the wonder of youth mock the folly of old men in Madrid, there is a lad, barely out of school uniform, who seems destined to make a fool out of one soccer club president and save the face of another.

Raul González Blanco, 17, has crossed the divide that has divided the Spanish capital's soccer passions for most of this century. Nurtured in the red stripes of Atlético Madrid, he now stands in the white of Real Madrid.

It is not his fault. Atlético had first call but abandoned him; Real picked him up for nothing and today places an \$7.5 million valuation on his precocity, his eye for the goal.

When 107,000 fans in the Santiago Bernabeu stadium chant his name, when they sing of "Raúl Madrid," the player's father doesn't know whether to laugh or to cry. Pedro Blanco lives for Atlético. He was born and will die faithful to it.

A humble electrician and plumber, he pledged his boy to the cause, sending him to Villaverde Alto, Atlético's nursery club, in June 1977.

The gift was obvious. Raul shone through a remarkable season in which Atlético's under-14 side devoured all opposition, to the tune of 15 goals scored, just one goal conceded. Papa was so proud. And so bemused a few months later, when Jesús Gil, who rules Atlético as its president, dismantled the youth team in 1992.

Gil styles himself *el Caudillo* — the leader, or guide. He is a figure of weighty bulk, huge ambition, short fuse. He hires and fires coaches on the basis of whether a Sunday performance pleases or embarrasses him. And if the president's whim sows instability, if the coach in turn fires the guardians of the youth team, why should Gil care? He will buy replacements for everybody, everything.

Impatience is his god, parity with Real Madrid his boast. But Gil has seldom had to account for his methods, in sport or in the building trade.

Long ago, when Pedro Blanco, never mind his offspring, was young, Gil was convicted of criminal negligence after 58 people died in the collapse of an apartment block built by Gil. An inquiry found that, in order to cut costs, he had employed neither architect nor engineer. But Gil's contacts in high places stood firmer than his building; given amnesty by the Franco government, he never served the 18-month jail sentence.

Atlético welcomed Gil's wealth, his grandiose way of strapping gold Rolex watches onto the wrist of each member of a winning team. When the moods darken, when he preemptively dismisses managers, coaches or players who arouse his displeasure, the Atlético fanatics shrug and say, "That's our president, our Raging Bull."

In property, politics or polemics, he makes promises he may never keep. Riding on a good Atlético season two years ago, he commissioned a caricature of himself clad in red and white stripes as his running mate for the office of mayor of Marbella. He won, of course. His constructions (still standing) figure large on the Golden Mile of the Costa Del Sol. With Gil, you win some, you lose some; you seldom pay the price.

There have been two more custodial sentences passed but unserve. In 1993 he was sentenced to two months for his part in illegal land dealings in Madrid; the magistrate decided it was not worth implementing the sentence. In May 1991, he was given a suspended six-month prison term, and fined 100,000 pesetas (about \$8,400 at present rates), for defaming Ramón Mendoza the president of Real Madrid.

Oh yes, the Madrid rivalry. When this season began, Mendoza, beset by \$80 million in debts at Real, called a presidential election. After 10 years of struggling with the cost and the faded glory of Europe's once most royal club, Mendoza suggested he might stand down.

LATELY, THE TIDE HAS TURNED. Real Madrid looks likely to win the Spanish league championship. Atlético Madrid is in danger of being dropped down a division. The symbol of this change in fortune, the potential jewel in the crown, is the boy Jesús Gil wouldn't wait to grow up and Ramón Mendoza inherited by default.

Blanco is not a one-man team. His five goals in two months play

second fiddle to Ivan Zamorano, the Chilean whose 17 goals leads the whole of the Spanish league. But from the day at the start of November, when Jorge Valdano, Real's coach, called the teenager from the third team, Real Madrid has been Spain's dominant force.

In his debut for Real, the boy was profligate and over-excited in a match in Zaragoza. Valdano stuck with him. The next game, before a full house at the Bernabeu, Raul showed why he is preferred to Emilio (The Vulture) Butragueño in Real's attack. He scored two of the four goals his team got — and against Atlético Madrid!

SINCE BLANCO has been a pivotal player, a goalscorer and a goal-maker, in a run that has lifted Real clear. In nine games, the team has won seven, drawn two, and gotten in 27 goals against 6.

The 100,000-plus Bernabeu crowds have inspired rather than acknowledged that "the boy is too good to leave out. I was the same age when I made my debut, I may never get in again."

Blanco's embryonic skills help compensate for the loss through injury of two key Real midfield players: Michel, who is out for seven months, and Fernando Redondo, who will miss two months.

Quite apart from the immediate \$7.5 million put on his head, the pulsing power of a new, "home-grown" Madridista is bringing floods of money into a stadium whose \$8 million refurbishment contributed to debts of mismanagement.

President Mendoza has forgotten his intention to stand down. With each goal that goes in, each victory and the lure of renewed European Champions' Cup glory next season, the burden lightens. Mendoza will, he thinks, win the election three weeks from now.

So the president thinks of renewal. He has the boy, Raul, who scored twice in another four-goal romp on Sunday.

One almost feels sorry for Jesús Gil. Unless a savior comes along soon, Atlético faces a sentence even his money cannot buy off.

Youth is not the blunderer of Madrid.

Rob Hughes is on the staff of The Times.

SIDELINES

Wang Reported Back in Ma's Camp

BEIJING (AP) — Wang Junxia, China's star long distance runner, has resumed training under her controversial coach, Ma Junren, after leading a mass walkout last month, the official Liberation Daily reported Wednesday.

Wang, who holds world records at 3,000 and 10,000 meters, had no choice but to rejoin Ma if she is to prepare for the Olympics in Atlanta, the Liberation Daily quoted a sports official as saying.

NBA Court Victory Cheers Baseball

NEW YORK (NYT) — NBA owners won another labor round in court, when a three-judge U.S. appeals panel upheld a lower court ruling that the league's salary cap, draft and right of first refusal were not violations of antitrust laws, even though the collective bargaining agreement that spawned them had expired.

Tuesday's decision also cheered major-league baseball owners. In a statement, Bud Selig, the acting commissioner, said "this should put an end to the notion that baseball's antitrust exemption is somehow to blame for the players' strike."

For the Record

John Walker, an NFL players' union executive, has been fired for gross misuse of funds totaling between \$80,000 and \$100,000 and has not been heard from for more than two weeks, according to several people with knowledge of union business. (NYT)

Giovanni Trapattoni said he is ready to return to Italy after seven months as coach of Bayern Munich because of problems with the language and in settling his family in Bavaria. (Reuters)

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PARIS & LONDON

ART BUCHWALD

O.J. Opinions for Hire

WASHINGTON — I didn't think he existed, but I have found the only defense attorney who has not been interviewed on television about the O.J. Simpson trial. His name is John Campbell and because nobody has ever asked for his advice, his fellow barristers refer to him as the "Maytag Man of Lawyers."

I discovered him sitting by his phone waiting for it to ring.

"Why do you think that you never got the call from a talk show host concerning O.J.?" I asked John.

"I know as much as anyone else," he said. "I'm very presentable, and I can second-guess the prosecution and the defense as well as any big-shot lawyers appearing on 'Today' and 'Good Morning America.' Somebody left me out of the computer, and I'm going to launch a class-action suit against all the network TV shows."

"It must hurt professionally not to get your 2 cents' worth with Geraldo Rivera."

"No client wants a lawyer to



Buchwald

defend him if he hasn't expressed an opinion on whether Robert Shapiro and F. Lee Bailey know what they're doing."

John kept looking at the telephone. "I just know that Larry King is going to call. I once met him at a party, and he told me that if he ever needed legal advice for his viewers he'd give me a buzz."

"What would you say if you actually did get on television?"

"I'd tell the truth. The prosecution was lucky to get Judge Ito to admit Nicole's 911 call, but the defense can use the decision when it comes time to appeal the case."

"That makes sense, and it's also good show business. Is there some way you can offer yourself to CNN when one of its regular experts is stuck at O'Hare Airport and can't make it to the show?"

"I told ABC that I'd pay my own expenses to offer my thoughts on the DNA evidence. And I told them that I would throw in an opinion on what the sequestered jury is thinking for nothing. But Diane Sawyer never got back to me. If I don't appear on one of the big shows I'm going to wind up as a public defender on Court TV."

I was beginning to feel sorry for Campbell, especially when many magazine shows were using law school students as commentators.

"Perhaps they're saving you for the summing up. They're going to need thousands of lawyers on that day."

He shook his head. "You have to know somebody big in television to get booked as a defense lawyer on a talk show. My niece dates a fellow who writes for David Letterman, and she said that they may be looking for someone to kid around with Dave on the 10 best ways to drive a white Bronco down the San Diego Freeway."

Salvaged Porcelain Put Up for Auction

Reuters

AMSTERDAM — A trove of Chinese porcelain retrieved from a sunken ship will be auctioned in March at Christie's in Amsterdam.

The auction house said that more than 24,000 pieces of 19th-century porcelain were salvaged by the diver Dorian Ball from the wreck of the British merchant ship Diana, which sank in 1817 after hitting rocks in the Strait of Malacca off the Malay Peninsula.

WEATHER**Europe**

	Today			Tomorrow		
	High	Low	W	High	Low	W
Copenhagen	32°	21°	W	32°	21°	W
Dublin	32°	21°	W	32°	21°	W
Glasgow	32°	21°	W	32°	21°	W
London	32°	21°	W	32°	21°	W
Madrid	32°	21°	W	32°	21°	W
Milan	32°	21°	W	32°	21°	W
Naples	32°	21°	W	32°	21°	W
Paris	32°	21°	W	32°	21°	W
Rome	32°	21°	W	32°	21°	W
Stockholm	32°	21°	W	32°	21°	W
Turin	32°	21°	W	32°	21°	W
Vienna	32°	21°	W	32°	21°	W
Zurich	32°	21°	W	32°	21°	W

Forecast for Friday through Sunday, as provided by Accu-Weather.

**North America**

Rain and thunderstorms will spread from the southern Plains to the Southeast and there is a threat of showers and thunderstorms across the central Plains to the Virginias. Dry weather will prevail from Spain through Greece. Much of Scandinavia can also expect dry and mild for now.

Middle East

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Africa

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Asia

Very cold air will spill south through eastern China, reaching Shanghai and Hangzhou by the end of the week. Some snow will also affect northern Japan with perhaps showers in Tokyo. Hong Kong will remain dry and mild for now.

Latin America

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